

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

DEVELOPERS SURETY AND INDEMNITY
COMPANY,

Plaintiff,

v.

MODERN SHELTER LLC, a Washington
limited liability company; JOEL LAVIN; and
KUNAL WALIA and SHARON WALIA,

Defendants.

Case No.: 2:22-cv-01353

**COMPLAINT FOR DECLARATORY
JUDGMENT**

Comes now, Plaintiff Developers Surety and Indemnity Company, by and through its
attorneys Cozen O'Connor, and alleges as follows:

I. INTRODUCTION

1.1 This is an insurance coverage action brought under the Federal Declaratory
Judgment Act, 28 U.S.C. §2201(a). Plaintiff Developers Surety and Indemnity Company seeks
a declaration that it has no duty to defend or indemnify Defendant Modern Shelter LLC with
respect to claims asserted by Kunal and Sharon Walia in the lawsuit styled *Kunal Walia and*

COMPLAINT FOR DECLARATORY JUDGMENT - 1

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1 *Sharon Walia v. Modern Shelter LLC, et al.*, Superior Court for the State of Washington, the
2 County of King, Case No. 21-2-06496 (the “Underlying Lawsuit”).

3 **II. PARTIES**

4 2.1 Plaintiff Developers Surety and Indemnity Company (“DSIC”), is a California
5 corporation with its principal place of business at Irvine, California. At all relevant times, DSIC
6 was and is authorized to do business in the State of Washington.

7 2.2 Modern Shelter, LLC (“Modern Shelter”), is a Washington limited liability
8 company with its principal place of business at Seattle, Washington, and which, upon
9 information and belief, has one member, Joel Lavin.

10 2.3 On information and belief, Joel Lavin is a Washington citizen residing in Seattle,
11 Washington. On information and belief, Mr. Lavin is the sole owner, member, and/or
12 shareholder of Modern Shelter.

13 2.4 On information and belief, Kunal Walia and Sharon Walia are Washington
14 citizens residing in Mercer Island, Washington.

15 **III. JURISDICTION**

16 3.1 This court has jurisdiction under 28 U.S.C. § 1332 as there is complete diversity
17 of citizenship between the parties and the amount in controversy exceeds \$75,000.

18 3.2 Venue is proper under 28 U.S.C. § 1391(b) because Modern Shelter, Lavin and
19 the Walias are residents of the Western District of Washington, and/or a substantial part of the
20 events giving rise to this action occurred in the Western District of Washington, and/or Modern
21 Shelter, Lavin and the Walias are subject to the Court’s personal jurisdiction in the Western
22 District of Washington.

23 3.3 An actual controversy exists between the parties regarding DSIC’s obligations
24 under the liability insurance policies that it issued to Modern Shelter in response to Modern
25 Shelter’s request for defense and indemnity coverage from DSIC for the claims asserted against
26 Modern Shelter in the Underlying Lawsuit.

COMPLAINT FOR DECLARATORY JUDGMENT - 2

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3.4 Pursuant to the Federal Declaratory Judgment Act, 28 U.S.C. §2201(a), this Court has the power to declare all rights, duties, and obligations under an insurance policy, whether or not further relief is or could be sought.

IV. FACTS

A. The Insurance Policies

4.1 DSIC issued to Modern Shelter Commercial General Liability Policies Nos. BIS00020556-01, effective November 29, 2014 through November 29, 2015, and BIS00020556-02, effective November 29, 2015 through May 19, 2016 (collectively the “Policies”). A true and correct copy of each DSIC policy is attached hereto as **Exhibit A** (BIS00020556-01) and **Exhibit B** (BIS00020556-02).

4.2 The Policies provide general liability coverage in the amount of \$1,000,000 per occurrence and a \$2,000,000 aggregate limit.

4.3 The Policies afford coverage pursuant to their terms and conditions and not otherwise. DSIC incorporates by reference all of the terms and conditions of the Policies as though asserted herein.

4.4 In relevant part, the Policies’ Insuring Agreement states:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

* * *

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of “bodily injury” or “property damage” to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking those damages. However, we will have no duty to defend the insured against any “suit” seeking damages for “bodily injury” or “property damage” to which this insurance does not apply. . . .

b. This insurance applies to “bodily injury” and “property damage” only if:

- (1) The “bodily injury” or “property damage” is caused by an “occurrence” that takes place in the “coverage territory”;
- (2) The “bodily injury” or “property damage” occurs during the policy period; and
- (3) The “claimant” sustains damages during the policy period because of the “bodily injury” or “property damage”. **[Added by Endorsement ID 00 02 09 12.]**

4.5 The Policies define the term “property damage” as . . .

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the “occurrence” that caused it.

4.6 The Policies define the term “occurrence” as “an accident, including continuous or repeated exposure to substantially the same general harmful conditions.”

4.7 The Policies include the following Additional Conditions Endorsement (ID 00 06 01 14) with which all insureds must comply as a *condition precedent* to coverage:

ADDITIONAL CONDITIONS ENDORSEMENT

The following conditions precedent to coverage are added to and form part of the policy:

1. You must be named an additional insured on the commercial general liability policy of each contractor and subcontractor that performs work on your behalf throughout the time of each such contractor’s and subcontractor’s performance, and each such policy must provide defense, as well as indemnity to you as an additional insured.
2. You must obtain a certificate of insurance from each contractor and subcontractor that performs work on your behalf prior to the commencement of each such contractor’s and subcontractor’s work indicating that each such contractor and subcontractor has a commercial general liability policy in effect.

3. Both the policy within which you are named as an additional insured and the certificate of insurance you obtain must have each occurrence, general aggregate, and products-completed operations aggregate limits, including sublimits, in an amount equal to or greater than this policy.
4. You must obtain a hold harmless agreement from each of your contractors and subcontractors, indemnifying you against all loss in any way related to work performed on your behalf by each such contractor and subcontractor.

4.8 The Policies contain the following Use of Extrinsic Evidence – Duty to Defend or Indemnify Endorsement (ID 00 47 01 14):

We may look to extrinsic evidence outside of the allegations and/or facts pleaded by any claimant to determine whether we owe a duty to defend or indemnify against a “suit” seeking “bodily injury,” “property damage,” or “personal and advertising injury.” We may rely on extrinsic evidence to deny the defense and/or indemnity of a “suit.”

4.9 The Policies contain the following Exclusion – Non-Compliance With Building Codes Endorsement (ID 00 28 08 09):

EXCLUSION – NON-COMPLIANCE WITH BUILDING CODES

This insurance does not apply to:

“Bodily injury,” “property damage” or “personal and advertising injury” arising out of, caused by, or attributable to, whether in whole or in part, the design, construction, fabrication, maintenance or repair, including remodeling, of any structure in a manner not in compliance with the controlling building code. This exclusion applies notwithstanding any ecological or resource-efficient benefits that might result from such design, construction, fabrication, maintenance or repair.

4.10 The Policies contain the following Washington Changes – Defense Costs Endorsement (IL 01 23 11 13):

WASHINGTON CHANGES – DEFENSE COSTS

- B.** If we initially defend an insured (“insured”) or pay for an insured’s (“insured’s”) defense but later determine that none of the claims (“claims”), for which we provided a defense or defense costs, are covered under this insurance, we have the right to reimbursement for the defense costs we have incurred.

COMPLAINT FOR DECLARATORY JUDGMENT - 5

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The right to reimbursement under this provision will only apply to the costs we have incurred after we notify you in writing that there may not be coverage and that we are reserving our rights to terminate the defense or the payment of defense costs and to seek reimbursement for defense costs.

4.11 The Policies contain various other exclusions, conditions, endorsements, and limitations, including but not limited to exclusion “j. Damage to Property”; exclusion “k. Damage to Your Product”; exclusion “l. Damage to Your Work”; exclusion “m. Damage To Impaired Property Or Property Not Physically Injured”; exclusion “n. Recall Of Products, Work Or Impaired Property”; the Amendment Of Insuring Agreement – Coverage Trigger Endorsement (ID 00 02 09 12); the Amendment – Exclusion L. Damage To Your Work Endorsement (ID 00 14 08 08); and the Changes In Commercial General Liability Policy Endorsement (ID 00 25 04 13).

B. The Underlying Dispute and DSIC’s Coverage Investigation

4.12 On May 14, 2021, the Walias filed the Underlying Lawsuit against Modern Shelter and other contractors in the Superior Court for the State of Washington, County of King, Case No. 21-2-06496. A true and correct copy of the Complaint in the Underlying Lawsuit is attached hereto as **Exhibit C**, and incorporated herein by reference.

4.13 In the Underlying Lawsuit, the Walias allege that they contracted with Modern Shelter to build their home, which is located at 6316 77th Avenue S.E., in Mercer Island, Washington (the “Home”). Among other things, the Walias allege that Modern Shelter breached the parties’ construction agreement by defectively constructing the Home, failing to properly supervise, coordinate, and direct the construction of the Home, failing to properly inspect the work to ensure it was in proper condition to receive subsequent work, failing to meet the requirements of state laws and/or building codes, failing to meet building standards and practices, and making changes and/or substitutions to the work without approval. The Walias

1 further allege that Modern Shelter breached its warranties, and violated the Washington
2 Consumer Protection Act.

3 4.14 The Walias seek damages in excess of \$75,000 from Modern Shelter.

4 4.15 Modern Shelter engaged various subcontractors to assist with its construction
5 work at the Home, to include, but not necessarily limited to: Flex Siding; West Coast
6 Hardscapes; Adriatic Plumbing; Goldfinch Bros.; Brimstone Fire Protection; Pro Alarm;
7 Fireside; Superior Insulation; and Barton Drywall.

8 4.16 On or about May 25, 2021, Modern Shelter filed an independent lawsuit against
9 Adriatic Plumbing Inc. and West Coast Landscaping Design & Hardscapes, LLC. Modern
10 Shelter alleges breach of contract and breach of indemnity obligations as a result of the Walias'
11 allegations against Modern Shelter in the Underlying Lawsuit.

12 4.17 The Walias provided Modern Shelter with a notice of construction defect before
13 filing the Underlying Lawsuit.

14 4.18 On or about April 29, 2020, Modern Shelter tendered the Walias' construction
15 defect claim to DSIC, requesting defense and indemnity coverage from DSIC.

16 4.19 After requesting information related to Modern Shelter's compliance, or non-
17 compliance, with the Additional Conditions Endorsement, DSIC accepted Modern Shelter's
18 tender subject to an express reservation of rights. On September 15, 2022, DSIC issued a
19 supplemental reservation of rights to Modern Shelter.

20 4.20 In its reservation of rights letters, DSIC expressly reserved the right to disclaim
21 coverage for Modern Shelter's non-compliance with the Policies' Additional Conditions
22 Endorsement. DSIC similarly reserved the right to limit or disclaim coverage under various
23 other policy terms, conditions, exclusions, endorsements, and limitations.

24 4.21 On at least June 4, 2020, June 26, 2020, February 11, 2021, March 1, 2021, and
25 September 15, 2022, DSIC requested that Modern Shelter provide copies of all documents and
26 information demonstrating its compliance, or lack thereof, with the Additional Conditions

COMPLAINT FOR DECLARATORY JUDGMENT - 7

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1 Endorsement. Specifically, DSIC requested that Modern Shelter provide copies of subcontract
 2 agreements with Modern Shelter's subcontractors, along with certificates of insurance related to
 3 the project.

4 4.22 In response to DSIC's requests for information, Modern Shelter provided a list
 5 of the subcontractors it retained for the project, but no subcontract agreements, certificates of
 6 insurance or additional insured information.

7 4.23 During its ongoing investigation, DSIC learned that Modern Shelter did not
 8 satisfy the conditions listed in the Policies' Additional Conditions Endorsement.

9 4.24 Because Modern Shelter did not execute a written agreement with any of its
 10 subcontractors requiring additional insured coverage, DSIC has not tendered Modern Shelter's
 11 defense as an additional insured to any other insurer. Accordingly, DSIC has solely funded
 12 Modern Shelter's defense of the Underlying Lawsuit and incurred and paid significant amounts
 13 in providing that defense.

14 4.25 During DSIC's investigation, DSIC learned the Walias are seeking damages from
 15 Modern Shelter for allegedly defective work without resulting damage, and for Modern Shelter's
 16 alleged failure to comply with applicable building codes, among other things.

17 4.26 There are other provisions of the Policies that apply to limit and preclude
 18 coverage. DSIC reserves the right to assert additional bases for declaratory judgment under the
 19 attached Policies.

20 **V. FIRST CAUSE OF ACTION FOR DECLARATORY RELIEF**

21 5.1 DSIC re-alleges paragraphs 1.1 through 4.26 as if fully set forth here.

22 5.2 An actual and justiciable controversy exists between DSIC and Modern Shelter
 23 within the meaning of 28 U.S.C. § 2201 with respect to insurance coverage under the Policies'
 24 terms and applicable law.

1 5.3 Modern Shelter and Mr. Lavin contend that the Policies provide insurance
2 coverage for the Underlying Lawsuit. To the contrary, DSIC contends that defense and
3 indemnity coverage is wholly barred.

4 5.4 DSIC seeks a declaration that is Policies afford no defense or indemnity coverage
5 to Modern Shelter for the claims asserted against Modern Shelter in the Underlying Lawsuit.

6 5.5 DSIC contends coverage is barred under the Policies because, and among other
7 things, Modern Shelter failed to meet the Policies' Additional Conditions Endorsement. With
8 respect to the Home's construction, Modern Shelter (i) failed to ensure that it was named an
9 additional insured on its subcontractors' commercial general liability insurance policies;
10 (ii) failed to obtain, before such subcontractors' commenced work on the Home, any insurance
11 certificates stating that the subcontractors had effective commercial general liability policies;
12 and (iii) failed to obtain written hold harmless agreements from its subcontractors applicable to
13 this project. Therefore, no coverage obtains under the Policy because the *conditions precedent*
14 to coverage in the Additional Conditions Endorsement have not been met.

15 5.6 DSIC contends coverage under the Policies is further limited and/or barred by the
16 Policies' Non-Compliance With Building Code Endorsement, as well as various other policy
17 provisions.

18 5.7 DSIC further contends that it is entitled to reimbursement of the defense costs it
19 has incurred from September 15, 2022 forward, the date on which DSIC advised Modern Shelter
20 in writing of the Washington Changes – Defense Cost Endorsement and DSIC's intention to
21 enforce the same.

22 5.8 Per the Policies, DSIC is not obligated to defend or indemnify Modern Shelter.

23 5.9 A judicial declaration is necessary and appropriate at this time so that DSIC can
24 ascertain its duties under the Policies.
25
26

VI. PRAYER FOR RELIEF

WHEREFORE, Developers Surety and Indemnity Company respectfully prays for a declaration of this Court that:

- (a) Modern Shelter failed to comply with the Policies' Additional Conditions Endorsement;
- (b) Modern Shelter's failure to comply with the Additional Conditions Endorsement bars coverage for the Underlying Lawsuit;
- (c) DSIC is not obligated under the Policies to further defend or indemnify Modern Shelter in the Underlying Lawsuit;
- (d) The Policies' Exclusion – Non-Compliance With Building Codes Endorsement precludes coverage for the claims asserted against Modern Shelter in the Underlying Lawsuit;
- (e) The Policies' other terms and conditions limit and/or bar defense and indemnity coverage under the Policies for the claims asserted against Modern Shelter in the Underlying Lawsuit;
- (f) DSIC is entitled to reimbursement of its costs incurred defending Modern Shelter in the Underlying Lawsuit from September 15, 2022 forward; and
- (g) Such other relief as the Court may deem just and proper.

DATED this 23rd day of September, 2022.

COZEN O'CONNOR

By: /s/ Peter J. Berg

Peter J. Berg, WSBA No. 46757
999 Third Avenue, Suite 1900
Seattle, Washington 98104
Telephone: 206.340.1000
Facsimile: 206.621.8783
Email: pberg@cozen.com

*Attorney for Plaintiff Developers Surety and
Indemnity Company*

COMPLAINT FOR DECLARATORY JUDGMENT - 10

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EXHIBIT A



BUILDERS INSURANCE SERVICES

THE BUILDER'S EDGE™

Dear BIS Policyholder:

Welcome to Builders Insurance Services (BIS). We appreciate having you as a policyholder.

BIS is an underwriting manager for property and casualty insurance, specializing in General Liability and Inland Marine coverages for contractors. BIS is affiliated with The Insko Dico Group, offering insurance products through Developers Surety and Indemnity Company (DSI). We have many years of experience focusing on the special needs of contractors.

Attached you will find a copy of your insurance policy that you will want to review carefully. We value your business and the trust that you, working closely with your Insurance Producer, have placed with us for insurance coverage and the needs you may have from us in the future.

We will be contacting you soon for an important required review of your business operation to make sure we have accurately captured your operating exposures. This phone call will take approximately 15 minutes.

Thank you for choosing BIS.

Sincerely,

Steve Gaines, BIS President

POLICY NUMBER BIS00020556-01

COMMERCIAL GENERAL LIABILITY
IL DS 00 09 07**COMMON POLICY DECLARATIONS**

| | |
|---|--|
| Developers Surety and Indemnity Company P.O. Box 19725 Irvine, CA 92623 | BCIB/Best Contractors Insurance & Bonds 733 7th Avenue, Suite 112 Kirkland, WA 98033 Phone Number: 425-828-6824 |
| NAMED INSURED: | <u>Modern Shelter LLC</u> |
| DBA: | <u></u> |
| MAILING ADDRESS: | <u>906 19TH AVE E</u> <u>SEATTLE, Washington 98112</u> |
| POLICY PERIOD: | FROM <u>11/29/2014</u> TO <u>11/29/2015</u> AT 12:01 A.M. TIME AT YOUR MAILING ADDRESS SHOWN ABOVE. |

| | |
|-----------------------|------------|
| BUSINESS DESCRIPTION: | <u>LLC</u> |
|-----------------------|------------|


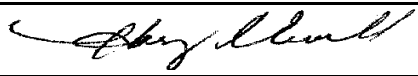
IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY,
WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED
THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

| | PREMIUM |
|--|----------------------|
| CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART | \$ NOT COVERED |
| COMMERCIAL AUTOMOBILE COVERAGE PART | \$ NOT COVERED |
| COMMERCIAL GENERAL LIABILITY COVERAGE PART | \$ [REDACTED] |
| COMMERCIAL INLAND MARINE COVERAGE PART | \$ [REDACTED] |
| COMMERCIAL LIABILITY UMBRELLA | \$ NOT COVERED |
| COMMERCIAL PROPERTY COVERAGE PART | \$ NOT COVERED |
| CRIME AND FIDELITY COVERAGE PART | \$ NOT COVERED |
| EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART | \$ NOT COVERED |
| EQUIPMENT BREAKDOWN COVERAGE PART | \$ NOT COVERED |
| FARM COVERAGE PART | \$ NOT COVERED |
| LIQUOR LIABILITY COVERAGE PART | \$ NOT COVERED |
| POLLUTION LIABILITY COVERAGE PART | \$ NOT COVERED |
| PROFESSIONAL LIABILITY COVERAGE PART | \$ NOT COVERED |
| TERRORISM COVERAGE | \$ [REDACTED] |
| TOTAL: | \$ [REDACTED] |

FORMS APPLICABLE TO ALL COVERAGE PARTS (SHOW NUMBERS):

See Form ID DS 02
Listing of Forms and Endorsements Forming a Part of This Policy

| | |
|--|---|
| Countersigned: _____ 11/29/2014 (Date) | By:  (Authorized Representative) |
| Countersigned: _____ 11/29/2014 (Date) | By:  (Authorized Representative) |

POLICY NUMBER BIS00020556-01

LIST OF FORMS AND ENDORSEMENTS

ID DS 02 08 07

**LISTING OF FORMS AND ENDORSEMENTS FORMING
A PART OF THIS POLICY**

This listing forms a part of the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

| | <u>FORM NUMBER</u> | <u>TITLE</u> |
|---------------------------------------|--------------------|--|
| Policy Forms | | |
| Common Policy Forms | IL DS 00 09 07 | Common Policy Declarations |
| | ID DS 02 08 07 | List of Forms and Endorsements |
| General Liability Policy Forms | | |
| Declarations and Schedules | CG DS 01 10 01 | Commercial General Liability Declarations |
| | ID DS 03 08 07 | General Liability Schedule |
| ISO Forms | IL 00 03 09 08 | Calculation of Premium |
| | IL 01 23 11 13 | Washington Changes - Defense Costs |
| | IL 01 46 08 10 | Washington Common Policy Conditions |
| | IL 01 98 09 08 | Nuclear Energy Liability Exclusion Endorsement |
| | IL 09 85 01 08 | Disclosure Pursuant to Terrorism Risk Insurance Act |
| | IL N 142 06 06 | WA Fraud Statement |
| | CG 00 01 04 13 | Commercial General Liability Coverage Form |
| | CG 00 68 05 09 | Recording And Distribution Of Material Or Information In Violation Of Law Exclusion |
| | CG 01 81 05 08 | Washington Changes |
| | CG 01 97 12 07 | Washington Changes - Employment-Related Practices Exclusion |
| | CG 03 00 01 96 | Deductible Liability Insurance |
| | CG 04 42 11 03 | Stop Gap - Employers Liability Coverage Endorsement - Washington |
| | CG 04 50 05 08 | Washington Changes - Who is an Insured |
| | CG 21 01 11 85 | Exclusion - Athletic or Sports Participants |
| | CG 21 46 07 98 | Abuse or Molestation Exclusion |
| | CG 21 49 09 99 | Total Pollution Exclusion Endorsement |
| | CG 21 54 01 96 | Exclusion - Designated Operations Covered by a Consolidated (Wrap-Up) Insurance Program |
| | CG 21 70 01 08 | Cap On Losses From Certified Acts of Terrorism |
| | CG 21 76 01 08 | Exclusion of Punitive Damages Related to a Certified Act of Terrorism |
| | CG 21 84 01 08 | Exclusion of Certified Nuclear, Biological, Chemical or Radiological Acts Of Terrorism; Cap On Losses From Certified Act |
| | CG 21 86 12 04 | Exclusion - Exterior Insulation and Finish System |
| | CG 21 88 01 07 | Conditional Exclusion Of Terrorism Involving Nuclear, Biological Or Chemical Terrorism (Relating To Disposition Of Feder |
| | CG 22 33 04 13 | Exclusion - Testing or Consulting Errors and Omissions |
| | CG 22 34 04 13 | Exclusion - Construction Management Errors and Omissions |
| | CG 22 60 12 07 | Limitation of Coverage - Real Estate Operations |
| | CG 22 79 04 13 | Exclusion - Contractors - Professional Liability |
| | CG 23 01 04 13 | Exclusion - Real Estate Agents or Brokers Errors and Omissions |
| | CG 24 13 04 13 | Amendment of Personal and Advertising Injury Definition |
| | CG 24 26 04 13 | Amendment of Insured Contract Definition |
| | CG 26 77 12 04 | Washington - Fungi or Bacteria Exclusion |
| ID Forms | ID 00 02 09 12 | Amendment of Insuring Agreement - Coverage Trigger |
| | ID 00 03 07 07 | Requirement of Allocation Between Covered and Uncovered Damages |
| | ID 00 04 07 07WA | General Endorsements |
| | ID 00 06 01 14 | Additional Conditions Endorsement |
| | ID 00 07 07 07 | Exclusion - Earth Movement |
| | ID 00 08 01 14WA | Washington - Exclusion - Various Excluded Materials |
| | ID 00 09 07 07 | Multiple Causes of Loss |
| | ID 00 14 08 08 | Amendment - Exclusion I. Damage to Your Work |
| | ID 00 18 07 07 | Exclusion - Global Climate Change |
| | ID 00 24 08 08 | Amendment to Section III - Limits of Insurance |

ID DS 02 08 07

Page 1 of 2

POLICY NUMBER BIS00020556-01

LIST OF FORMS AND ENDORSEMENTS

ID DS 02 08 07

**LISTING OF FORMS AND ENDORSEMENTS FORMING
A PART OF THIS POLICY**

This listing forms a part of the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

| <u>FORM NUMBER</u> | <u>TITLE</u> |
|--------------------|--|
| ID 00 25 04 13 | Changes in Commercial General Liability Policy |
| ID 00 27 08 09 | State Specific Endorsements |
| ID 00 28 08 09 | Exclusion - Non-Compliance With Building Codes |
| ID 00 29 08 09 | Coverage Territory Amendment |
| ID 00 30 11 08 | Minimum Earned Premium |
| ID 00 33 08 09 | Exclusion Of Construction Management And Consulting |
| ID 00 37 04 13 | Blanket Additional Insured |
| ID 00 42 07 11 | Exclusion – Green Building |
| ID 00 43 01 11 | Takeover of Unfinished Work |
| ID 00 44 07 11 | Automatic Termination |
| ID 00 45 09 12 | Exclusion - Weather-Related Water Damage or Injury During Work in Progress |
| ID 00 46 04 13 | Exclusion – Residential Housing |
| ID 00 47 01 14 | Insuring Agreement – Use of Extrinsic Evidence – Duty To Defend or Indemnify |
| ID 00 49 01 14 | Premium Audit |
| ID 00 50 01 14 | Underground Utility Location |
| ID 01 48 01 14 | Exclusion – Injury to Employees |
| ID N 001 01 14 | Potential Restrictions of Terrorism Coverage |

Inland Marine Policy Forms

Declarations and Schedules

ISO Forms

| | |
|----------------|---|
| ID MD 01 04 12 | Contractors Choice Inland Marine Declarations |
| IL 00 03 09 08 | Calculation of Premium |
| IL 01 46 09 07 | Washington Common Policy Conditions |
| IL 09 85 01 08 | Disclosure Pursuant to Terrorism Risk Insurance Act |
| ID CP 00 04 12 | Washington Contractors Choice Personal Property Coverage Form |
| ID IM 00 04 12 | Washington Contractors Choice Inland Marine Coverage Form |

ID Forms

POLICY NUMBER BIS00020556-01

COMMERCIAL GENERAL LIABILITY
CG DS 01 10 01**COMMERCIAL GENERAL LIABILITY DECLARATIONS**

| | |
|---|--|
| Developers Surety and Indemnity Company P.O. Box 19725 Irvine, CA 92623 | BCIB/Best Contractors Insurance & Bonds 733 7th Avenue, Suite 112 Kirkland, WA 98033 Phone Number: 425-828-6824 |
| NAMED INSURED: <u>Modern Shelter LLC</u> | |
| DBA: _____ | |
| MAILING ADDRESS: <u>906 19TH AVE E</u> <u>SEATTLE, Washington 98112</u> | |
| POLICY PERIOD: FROM <u>11/29/2014</u> TO <u>11/29/2015</u> AT 12:01 A.M. TIME AT YOUR MAILING ADDRESS SHOWN ABOVE. | |


| | |
|-----------------------|------------|
| BUSINESS DESCRIPTION: | <u>LLC</u> |
|-----------------------|------------|

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY,
WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

| LIMITS OF INSURANCE | | |
|---|---------------------|-------------------------------|
| EACH OCCURRENCE LIMIT | \$ <u>1,000,000</u> | |
| DAMAGE TO PREMISES RENTED TO YOU LIMIT | \$ <u>100,000</u> | Any one premises |
| MEDICAL EXPENSE LIMIT | \$ <u>5,000</u> | Any one person |
| PERSONAL & ADVERTISING INJURY LIMIT | \$ <u>1,000,000</u> | Any on person or organization |
| GENERAL AGGREGATE LIMITS | | \$ <u>2,000,000</u> |
| PRODUCTS/COMPLETED OPERATIONS LIMIT | | \$ <u>2,000,000</u> |

| RETROACTIVE DATE (CG 00 02 ONLY) | |
|---|--|
| THIS INSURANCE DOES NOT APPLY TO "BODILY INJURY", "PROPERTY DAMAGE" OR "PERSONAL AND ADVERTISING INJURY" WHICH OCCURS BEFORE THE RETROACTIVE DATE, IF ANY, SHOWN BELOW. | |
| RETROACTIVE DATE: | <u>NONE</u> (ENTER DATE OR "NONE" IF NO RETROACTIVE DATE APPLIES) |

| DESCRIPTION OF BUSINESS | |
|---|--|
| FORM OF BUSINESS: | |
| <input type="checkbox"/> INDIVIDUAL | <input type="checkbox"/> PARTNERSHIP |
| <input checked="" type="checkbox"/> LIMITED LIABILITY COMPANY | <input type="checkbox"/> ORGANIZATION, INCLUDING A CORPORATION (BUT NOT INCLUDING A PARTNERSHIP, JOINT VENTURE OR LIMITED LIABILITY COMPANY) |
| BUSINESS DESCRIPTION: | <u>LLC</u> |

| ALL PREMISES YOU OWN, RENT OR OCCUPY | | | | | | | |
|---|--|---|--|---|------------------------------------|----------------------------------|----------------------|
| LOCATION NUMBER | | ADDRESS OF ALL PREMISES YOU OWN, RENT OR OCCUPY | | | | | |
| | | | | | | | |
| CLASSIFICATION AND PREMIUM | | | | | | | |
| LOC NO. | CLASSIFICATION | CODE NO. | Premium Base | RATE | | ADVANCE PREMIUM | |
| | | | | Prem/ Ops | Products CompOps | Prem/ Ops | Products Comp Ops |
| WA | General Liability | 91340n | Payroll Subctr. | Various | Various | \$ [REDACTED] | \$ [REDACTED] |
| | Water Damage Sublimit Terrorism Coverage Insco Dico Contractors License Bond | | | \$1,000,000 | | \$ [REDACTED] | |
| | | | | No | | \$ [REDACTED] | |
| | Property Damage Deductible Per Occurrence | | | \$1,000 | | | |
| PREMIUM SHOWN IS PAYABLE: | | | | STATE TAX OR OTHER (if applicable) \$ [REDACTED] TOTAL PREMIUM (SUBJECT TO AUDIT) \$ [REDACTED] AT INCEPTION \$ [REDACTED] AT EACH ANNIVERSARY _____ (IF POLICY PERIOD IS MORE THAN ONE YEAR AND PREMIUM IS PAID IN ANNUAL INSTALLMENTS) | | | |
| AUDIT PERIOD (IF APPLICABLE) | | | <input checked="" type="checkbox"/> ANNUALLY ANNUALLY | <input type="checkbox"/> SEMI ANNUALLY | <input type="checkbox"/> QUARTERLY | <input type="checkbox"/> MONTHLY | |
| ENDORSEMENTS | | | | | | | |
| ENDORSEMENTS ATTACHED TO THIS POLICY | | | | | | | |
| See Form ID DS 02 Listing of Forms and Endorsements Forming a Part of This Policy | | | | | | | |
| Warranty ID | | | | | | | |
| Specifications ID | | | | | | | |
| THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORMS AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY | | | | | | | |
| Countersigned: _____ <div style="text-align: center;">11/29/2014 (Date)</div> | | | | By:  <div style="text-align: center;">(Authorized Representative)</div> | | | |

Classification and Premium Extension

| CLASSIFICATION AND PREMIUM | | | | | | | |
|----------------------------|---|----------|-----------------|-------------|------------------|-----------------|-------------------|
| LOC NO. | CLASSIFICATION | CODE NO. | Premium Base | RATE | | ADVANCE PREMIUM | |
| | | | | Prem/Ops | Products CompOps | Prem/Ops | Products Comp Ops |
| WA | General Liability | 91340n | Payroll Subctr. | Various | | \$ [REDACTED] | \$ [REDACTED] |
| | | | | Various | | | |
| | Water Damage Sublimit | | | \$1,000,000 | | | \$ [REDACTED] |
| | Terrorism Coverage | | | | | | \$ [REDACTED] |
| | Insco Dico Contractors License Bond | | | No | | | \$ [REDACTED] |
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| | | | | | | | |
| | Property Damage Deductible Per Occurrence | | | \$1,000 | | | |
| | TOTAL PREMIUM | | | | | | \$ [REDACTED] |

| BASIS OF PREMIUM | |
|--------------------------------------|---------------|
| Employee Payroll | \$ [REDACTED] |
| Number of Owners Active in the Field | 1 |
| Limited Payroll per Owner - | \$ [REDACTED] |
| Total Limited Owner Payroll | \$ [REDACTED] |
| Amount Paid to Subcontractors | \$ [REDACTED] |
| Leased Employee Cost | |

IL 00 03 09 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

IL 01 23 11 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON CHANGES – DEFENSE COSTS

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART – LEGAL LIABILITY COVERAGE FORM
 COMMERCIAL PROPERTY COVERAGE PART – MORTGAGEHOLDER'S ERRORS AND OMISSIONS COVERAGE FORM
 ELECTRONIC DATA LIABILITY COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCT WITHDRAWAL COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART
 UNDERGROUND STORAGE TANK COVERAGE PART

A. The provisions of Paragraph **B.** are added to all Insuring Agreements that set forth a duty to defend under:

1. Section **I** of the Commercial General Liability, Commercial Liability Umbrella, Electronic Data Liability, Farm, Liquor Liability, Owners And Contractors Protective Liability, Pollution Liability, Products/Completed Operations Liability, Product Withdrawal, Medical Professional Liability, Railroad Protective Liability and Underground Storage Tank Coverage Parts, Auto Dealers Coverage Form and the Farm Umbrella Liability Policy;
2. Section **II** under the Auto Dealers, Business Auto and Motor Carrier Coverage Forms;
3. Section **III** under the Auto Dealers and Motor Carrier Coverage Forms;
4. Section **A.** Coverage under the Legal Liability Coverage Form; and

5. Coverage **C** – Mortgageholder's Liability under the Mortgageholder's Errors And Omissions Coverage Form.

Paragraph **B.** also applies to any other provision in the policy that sets forth a duty to defend.

B. If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that none of the claims ("claims"), for which we provided a defense or defense costs, are covered under this insurance, we have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement under this provision will only apply to the costs we have incurred after we notify you in writing that there may not be coverage and that we are reserving our rights to terminate the defense or the payment of defense costs and to seek reimbursement for defense costs.

WASHINGTON COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

The conditions in this endorsement replace any similar conditions in the policy that are less favorable to the insured.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by notifying us or the insurance producer in one of the following ways:

- a. Written notice by mail, fax or e-mail;
- b. Surrender of the policy or binder; or
- c. Verbal notice.

Upon receipt of such notice, we will cancel this policy or any binder issued as evidence of coverage, effective on the later of the following:

- a. The date on which notice is received or the policy or binder is surrendered; or
- b. The date of cancellation requested by the first Named Insured.

2. We may cancel this policy by mailing or delivering to the first Named Insured and the first Named Insured's agent or broker written notice of cancellation, including the actual reason for the cancellation, to the last mailing address known to us, at least:

- a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. 45 days before the effective date of cancellation if we cancel for any other reason;

except as provided in Paragraphs 3. and 4. below.

3. We may cancel the Commercial Property Coverage Part and the Capital Assets Program (Output Policy) Coverage Part, if made a part of this policy, by mailing or delivering to the first Named Insured and the first Named Insured's agent or broker written notice of cancellation at least five days before the effective date of cancellation for any structure where two or more of the following conditions exist:

- a. Without reasonable explanation, the structure is unoccupied for more than 60 consecutive days, or at least 65% of the rental units are unoccupied for more than 120 consecutive days, unless the structure is maintained for seasonal occupancy or is under construction or repair;
- b. Without reasonable explanation, progress toward completion of permanent repairs to the structure has not occurred within 60 days after receipt of funds following satisfactory adjustment or adjudication of loss resulting from a fire;
- c. Because of its physical condition, the structure is in danger of collapse;
- d. Because of its physical condition, a vacation or demolition order has been issued for the structure, or it has been declared unsafe in accordance with applicable law;
- e. Fixed and salvageable items have been removed from the structure, indicating an intent to vacate the structure;
- f. Without reasonable explanation, heat, water, sewer and electricity are not furnished for the structure for 60 consecutive days; or
- g. The structure is not maintained in substantial compliance with fire, safety and building codes.

4. If:

- a. You are an individual;
- b. A covered auto you own is of the "private passenger type"; and
- c. The policy does not cover garage, automobile sales agency, repair shop, service station or public parking place operations hazards;

we may cancel the Commercial Automobile Coverage Part by mailing or delivering to the first Named Insured and the first Named Insured's agent or broker written notice of cancellation, including the actual reason for cancellation, to the last mailing address known to us:

- a. At least 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. At least 10 days before the effective date of cancellation for any other reason if the policy is in effect less than 30 days; or
- c. At least 20 days before the effective date of cancellation for other than nonpayment if the policy is in effect 30 days or more; or
- d. At least 20 days before the effective date of cancellation if the policy is in effect for 60 days or more or is a renewal or continuation policy, and the reason for cancellation is that your driver's license or that of any driver who customarily uses a covered "auto" has been suspended or revoked during policy period.

- 5. We will also mail or deliver to any mortgage holder, pledgee or other person shown in this policy to have an interest in any loss which may occur under this policy, at their last mailing address known to us, written notice of cancellation, prior to the effective date of cancellation. If cancellation is for reasons other than those contained in Paragraph **A.3.** above, this notice will be the same as that mailed or delivered to the first Named Insured. If cancellation is for a reason contained in Paragraph **A.3.** above, we will mail or deliver this notice at least 20 days prior to the effective date of cancellation.

- 6. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

- 7. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be at least 90% of the pro rata refund unless the following applies:

- a. For Division Two – Equipment Breakdown, if the first Named Insured cancels, the refund will be at least 75% of the pro rata refund.

b. If:

- (1) You are an individual;
 - (2) A covered auto you own is of the "private passenger type";
 - (3) The policy does not cover garage, automobile sales agency, repair shop, service station or public parking place operations hazards; and
 - (4) The first Named Insured cancels;
- the refund will be not less than 90% of any unearned portion not exceeding \$100, plus 95% of any unearned portion over \$100 but not exceeding \$500, and not less than 97% of any unearned portion in excess of \$500.

The cancellation will be effective even if we have not made or offered a refund.

- 8. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

The policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspection And Surveys

- 1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations, and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

- 1. Is responsible for the payment of all premiums; and
- 2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

G. Nonrenewal

1. We may elect not to renew this policy by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal, to the first Named Insured and the first Named Insured's agent or broker, at their last mailing addresses known to us. We will also mail to any mortgage holder, pledgee or other person shown in this policy to have an interest in any loss which may occur under this policy, at their last mailing address known to us, written notice of nonrenewal. We will mail or deliver these notices at least 45 days before the:

- a. Expiration of the policy; or
- b. Anniversary date of this policy if this policy has been written for a term of more than one year.

Otherwise, we will renew this policy unless:

- a. The first Named Insured fails to pay the renewal premium after we have expressed our willingness to renew, including a statement of the renewal premium, to the first Named Insured and the first Named Insured's insurance agent or broker, at least 20 days before the expiration date;
- b. Other coverage acceptable to the insured has been procured prior to the expiration date of the policy; or
- c. The policy clearly states that it is not renewable and is for a specific line, subclassification, or type of coverage that is not offered on a renewable basis.

2. If:

- a. You are an individual;
- b. A covered auto you own is of the "private passenger type"; and
- c. The policy does not cover garage, automobile sales agency, repair shop, service station or public parking place operations hazards;

the following applies to nonrenewal of the Commercial Automobile Coverage Part in place of **G.1.:**

- a.** We may elect not to renew or continue this policy by mailing or delivering to you and your agent or broker written notice at least 20 days before the end of the policy period, including the actual reason for nonrenewal. If the policy period is more than one year, we will have the right not to renew or continue it only at an anniversary of its original effective date. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
- b.** We will not refuse to renew Liability Coverage or Collision Coverage solely because an "insured" has submitted claims under Comprehensive Coverage or Towing And Labor Coverage.
- c.** If we fail to mail or deliver proper notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties;

"Nuclear material" means "source material", "Special nuclear material" or "by-product material";

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"Property damage" includes all forms of radioactive contamination of property.

POLICY NUMBER: BIS00020556-01

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THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

Terrorism Premium (Certified Acts) \$

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Additional information, if any, concerning the terrorism premium:

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

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WASHINGTON FRAUD STATEMENT

It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COVERAGE C – MEDICAL PAYMENTS**1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

- a. Medical expenses under Coverage **C**;
- b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c. Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage **A**; and
 - b. Medical expenses under Coverage **C** because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;

- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication; provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1)** Power cranes, shovels, loaders, diggers or drills; or
 - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a)** You;
 - (b)** Others trading under your name; or
 - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2)** The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2)** The providing of or failure to provide warnings or instructions.

RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion **q.** of Paragraph 2. **Exclusions** of Section I – **Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

- B. Exclusion **p.** of Paragraph 2. **Exclusions** of Section I – **Coverage B – Personal And Advertising Injury Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

p. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion e. of Coverage A – Bodily Injury And Property Damage Liability (Section I – Coverages)** applies only to "bodily injury" to any "employee" of the insured whose employment is not subject to the Industrial Insurance Act of Washington (Washington Revised Code Title 51).

With respect to "bodily injury" to "employees" of the insured whose employment is subject to the Industrial Insurance Act of Washington, Exclusion **e.** is replaced with the following:

This insurance does not apply to:

1. "Bodily injury" to an "employee" of the insured arising out of and in the course of:
 - a. Employment by the insured; or
 - b. Performing duties related to the conduct of the insured's business; or
2. Any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

- B. Paragraphs 2.a.(1)(a), (b) and (c) of Section II – Who Is An Insured** apply only to "employees" of the insured whose employment is not subject to the Industrial Insurance Act of Washington (Washington Revised Code Title 51).

With respect to "employees" of the insured whose employment is subject to the Industrial Insurance Act of Washington, the reference to "volunteer workers" is removed from Paragraph **2.(a)** of **Section II – Who Is An Insured** and Paragraph **2.a.(1)** of **Section II** is replaced with the following:

2. Each of the following is also an insured:

- a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:

- (1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
- (b) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(1)(a)** above; or
- (c) Arising out of his or her providing or failing to provide professional health care services.

COMMERCIAL GENERAL LIABILITY
CG 01 97 12 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON CHANGES – EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Coverage A – Bodily Injury And Property Damage Liability (Section I – Coverages):

This insurance does not apply to:

"Bodily injury" to:

1. A person arising out of any:
 - a. Refusal to employ that person;
 - b. Termination of that person's employment; or
 - c. Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
2. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs **a.**, **b.** and **c.** above is directed.

This exclusion applies:

1. Whether the injury-causing event described in Paragraphs **a.**, **b.** or **c.** above occurs before employment, during employment or after employment of that person;
2. Whether the insured may be liable as an employer or in any other capacity; and
3. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

However, Paragraphs **1.a.** and **2.** of this exclusion do not apply if such "bodily injury" is sustained by any "employee" of the insured whose employment is subject to the Industrial Insurance Act of Washington (Washington Revised Code Title 51).

B. The following exclusion is added to Paragraph 2., Exclusions of Coverage B – Personal And Advertising Injury Liability (Section I – Coverages):

This insurance does not apply to:

"Personal and advertising injury" to:

1. A person arising out of any:
 - a. Refusal to employ that person;
 - b. Termination of that person's employment; or
 - c. Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
2. The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs **a.**, **b.** and **c.** above is directed.

This exclusion applies:

1. Whether the injury-causing event described in Paragraphs **a.**, **b.** or **c.** above occurs before employment, during employment or after employment of that person;
2. Whether the insured may be liable as an employer or in any other capacity; and
3. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

However, Paragraphs **1.a.** and **2.** of this exclusion do not apply if such "personal and advertising injury" is sustained by any "employee" of the insured whose employment is subject to the Industrial Insurance Act of Washington (Washington Revised Code Title 51).

POLICY NUMBER: BIS00020556-01

COMMERCIAL GENERAL LIABILITY
CG 03 00 01 96**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****DEDUCTIBLE LIABILITY INSURANCE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

| Coverage | SCHEDULE | |
|--|---|----------------------|
| | Amount and Basis of Deductible PER CLAIM | or PER OCCURRENCE |
| Bodily Injury Liability OR | \$ | \$ |
| Property Damage Liability OR | \$ | \$1,000 |
| Bodily Injury Liability and/or Property Damage Liability Combined | \$ | \$ |

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury" and "property damage", however caused):

- A.** Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.
- B.** You may select a deductible amount on either a per claim or a per "occurrence" basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amount stated in the Schedule above applies as follows:
- 1. PER CLAIM BASIS.** If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:
 - a.** Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "bodily injury";
 - b.** Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage"; or
 - c.** Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages sustained by any one person because of:
 - (1)** "Bodily injury";
 - (2)** "Property damage"; or
 - (3)** "Bodily injury" and "property damage" combined
- as the result of any one "occurrence".
- If damages are claimed for care, loss of services or death resulting at any time from "bodily injury", a separate deductible amount will be applied to each person making a claim for such damages.
- With respect to "property damage", person includes an organization.

2. PER OCCURRENCE BASIS. If the deductible amount indicated in the Schedule above is on a "per occurrence" basis, that deductible amount applies as follows:

- a. Under Bodily Injury Liability Coverage, to all damages because of "bodily injury";
- b. Under Property Damage Liability Coverage, to all damages because of "property damage"; or
- c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages because of:
 - (1) "Bodily injury";
 - (2) "Property damage"; or
 - (3) "Bodily injury" and "property damage" combined

as the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

C. The terms of this insurance, including those with respect to:

- 1. Our right and duty to defend the insured against any "suits" seeking those damages; and
- 2. Your duties in the event of an "occurrence", claim, or "suit"

apply irrespective of the application of the deductible amount.

D. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

POLICY NUMBER: BIS00020556-01

COMMERCIAL GENERAL LIABILITY
CG 04 42 11 03**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****STOP GAP – EMPLOYERS LIABILITY COVERAGE
ENDORSEMENT – WASHINGTON**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

| Limits Of Insurance | | | |
|----------------------------|----|-----------|-----------------|
| Bodily Injury By Accident | \$ | 1,000,000 | Each Accident |
| Bodily Injury By Disease | \$ | 1,000,000 | Aggregate Limit |
| Bodily Injury By Disease | \$ | 1,000,000 | Each Employee |
| | | | |

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. The following is added to Section I – Coverages:**COVERAGE – STOP GAP – EMPLOYERS
LIABILITY****1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated by Washington Law to pay as damages because of "bodily injury by accident" or "bodily injury by disease" to your "employee" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any accident and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in **Section III – Limits Of Insurance**; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under this coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to "bodily injury by accident" or "bodily injury by disease" only if:

(1) The:

- (a) "Bodily injury by accident" or "bodily injury by disease" takes place in the "coverage territory";
- (b) "Bodily injury by accident" or "bodily injury by disease" arises out of and in the course of the injured "employee's" employment by you; and
- (c) "Employee", at the time of the injury, was covered under a worker's compensation policy and subject to a "workers compensation law" of Washington; and

(2) The:

- (a) "Bodily injury by accident" is caused by an accident that occurs during the policy period; or

- (b) "Bodily injury by disease" is caused by or aggravated by conditions of employment by you and the injured "employee's" last day of last exposure to the conditions causing or aggravating such "bodily injury by disease" occurs during the policy period.
- c. The damages we will pay, where recovery is permitted by law, include damages:
 - (1) For:
 - (a) Which you are liable to a third party by reason of a claim or "suit" against you by that third party to recover the damages claimed against such third party as a result of injury to your "employee";
 - (b) Care and loss of services; and
 - (c) Consequential "bodily injury by accident" or "bodily injury by disease" to a spouse, child, parent, brother or sister of the injured "employee";

provided that these damages are the direct consequence of "bodily injury by accident" or "bodily injury by disease" that arises out of and in the course of the injured "employee's" employment by you; and
 - (2) Because of "bodily injury by accident" or "bodily injury by disease" to your "employee" that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

2. Exclusions

This insurance does not apply to:

a. Intentional Injury

"Bodily injury by accident" or "bodily injury by disease" intentionally caused or aggravated by you, or "bodily injury by accident" or "bodily injury by disease" resulting from an act which is determined to have been committed by you if it was reasonable to believe that an injury is substantially certain to occur.

b. Fines Or Penalties

Any assessment, penalty, or fine levied by any regulatory inspection agency or authority.

c. Statutory Obligations

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

d. Contractual Liability

Liability assumed by you under any contract or agreement.

e. Violation Of Law

"Bodily injury by accident" or "bodily injury by disease" suffered or caused by any employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your "executive officers".

f. Termination, Coercion Or Discrimination

Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any "employee", or arising out of other employment or personnel decisions concerning the insured.

g. Failure To Comply With "Workers Compensation Law"

"Bodily injury by accident" or "bodily injury by disease" to an "employee" when you are:

- (1) Deprived of common law defenses; or
 - (2) Otherwise subject to penalty;
- because of your failure to secure your obligations or other failure to comply with any "workers compensation law".

h. Violation Of Age Laws Or Employment Of Minors

"Bodily injury by accident" or "bodily injury by disease" suffered or caused by any person:

- (1) Knowingly employed by you in violation of any law as to age; or
- (2) Under the age of 14 years, regardless of any such law.

i. Federal Laws

Any premium, assessment, penalty, fine, benefit, liability or other obligation imposed by or granted pursuant to:

- (1) The Federal Employer's Liability Act (45 USC Section 51-60);
- (2) The Non-appropriated Fund Instrumentalities Act (5 USC Sections 8171-8173);

- (3) The Longshore and Harbor Workers' Compensation Act (33 USC Sections 910-950);
- (4) The Outer Continental Shelf Lands Act (43 USC Section 1331-1356);
- (5) The Defense Base Act (42 USC Sections 1651-1654);
- (6) The Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942);
- (7) The Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872);
- (8) Any other workers compensation, unemployment compensation or disability laws or any similar law; or
- (9) Any subsequent amendments to the laws listed above.

j. Punitive Damages

Multiple, exemplary or punitive damages.

k. Crew Members

"Bodily injury by accident" or "bodily injury by disease" to a master or member of the crew of any vessel or any member of the flying crew of an aircraft.

B. The Supplementary Payments provisions apply to Coverage – Stop Gap Employers Liability as well as to Coverages **A** and **B**.

C. For the purposes of this endorsement, Section II – Who Is An Insured, is replaced by the following:

If you are designated in the Declarations as:

- 1. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- 2. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- 3. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- 4. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. For the purposes of this endorsement, Section III – Limits Of Insurance, is replaced by the following:

- 1. The Limits of Insurance shown in the Schedule of this endorsement and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
- 2. The "Bodily Injury By Accident" – Each Accident Limit shown in the Schedule of this endorsement is the most we will pay for all damages covered by this insurance because of "bodily injury by accident" to one or more "employees" in any one accident.
- 3. The "Bodily Injury By Disease" – Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for all damages covered by this insurance and arising out of "bodily injury by disease", regardless of the number of "employees" who sustain "bodily injury by disease".
- 4. Subject to Paragraph **D.3.** of this endorsement, the "Bodily Injury By Disease" – Each "Employee" Limit shown in the Schedule of this endorsement is the most we will pay for all damages because of "bodily injury by disease" to any one "employee".

The limits of the coverage apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. For the purposes of this endorsement, Condition **2. – Duties In The Event Of Occurrence, Claim Or Suit** of the Conditions Section **IV** is deleted and replaced by the following:

2. Duties In The Event Of Injury, Claim Or Suit

- a. You must see to it that we or our agent are notified as soon as practicable of a "bodily injury by accident" or "bodily injury by disease" which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "bodily injury by accident" or "bodily injury by disease" took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the injury, claim, proceeding or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us and assist us, as we may request, in the investigation or settlement of the claim or defense against the "suit";
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury to which this insurance may also apply; and
 - (5) Do nothing after an injury occurs that would interfere with our right to recover from others.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

F. For the purposes of this endorsement, Paragraph **4.** of the **Definitions** Section is replaced by the following:

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in **a.** above; or
- c. All other parts of the world if the injury or damage arises out of the activities of a person whose home is in the territory described in **a.** above, but who is away for a short time on your business;

provided the insured's responsibility to pay damages is determined in the United States (including its territories and possessions), Puerto Rico, or Canada, in a suit on the merits according to the substantive law in such territory, or in a settlement we agree to.

G. The following are added to the **Definitions** Section:

- 1. "Workers Compensation Law" means the Workers Compensation Law and any Occupational Disease Law of Washington. This does not include provisions of any law providing non-occupational disability benefits.
- 2. "Bodily injury by accident" means bodily injury, sickness or disease sustained by a person, including death, resulting from an accident. A disease is not "bodily injury by accident" unless it results directly from "bodily injury by accident".
- 3. "Bodily injury by disease" means a disease sustained by a person, including death. "Bodily injury by disease" does not include a disease that results directly from an accident.

H. For the purposes of this endorsement, the definition of "bodily injury" does not apply.

COMMERCIAL GENERAL LIABILITY
CG 04 50 05 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON CHANGES – WHO IS AN INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Paragraphs **2.a.(1)(a), (b) and (c) of Section II – Who Is An Insured** apply only to "employees" of the insured whose employment is not subject to the Industrial Insurance Act of Washington (Washington Revised Code Title 51).

With respect to "employees" of the insured whose employment is subject to the Industrial Insurance Act of Washington, the reference to "volunteer workers" is removed from Paragraph **2.(a) of Section II – Who Is An Insured** and Paragraph **2.a.(1) of Section II – Who Is An Insured** is replaced with the following:

2. Each of the following is also an insured:

- a.** Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:

(1) "Bodily injury" or "personal and advertising injury":

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;

- (b)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(1)(a)** above; or
- (c)** Arising out of his or her providing or failing to provide professional health care services.

POLICY NUMBER: BIS00020556-01

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ATHLETIC OR SPORTS PARTICIPANTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Description of Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any operations shown in the Schedule, this insurance does not apply to "bodily injury" to any person while practicing for or participating in any sports or athletic contest or exhibition that you sponsor.

COMMERCIAL GENERAL LIABILITY
CG 21 46 07 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2., **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or

2. The negligent:

- a. Employment;
- b. Investigation;
- c. Supervision;
- d. Reporting to the proper authorities, or failure to so report; or
- e. Retention;

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph 1. above.

COMMERCIAL GENERAL LIABILITY
CG 21 49 09 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under Paragraph 2., **Exclusions** of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

f. Pollution

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 21 54 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All of your ongoing operations and operations included within the "products-completed operations hazard" for any construction project in which you are or have been involved where a consolidated (wrap-up) insurance program has been provided for part or all of the project and for part or all of the time before, during or after the project.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

- (1)** Provides coverage identical to that provided by this Coverage Part;
- (2)** Has limits adequate to cover all claims; or
- (3)** Remains in effect.

COMMERCIAL GENERAL LIABILITY
CG 21 70 01 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

COMMERCIAL GENERAL LIABILITY
CG 21 76 01 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOLOGICAL ACTS OF TERRORISM; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism". However, this exclusion applies only when one or more of the following are attributed to such act:

1. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
2. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
3. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. In the event of any incident of a "certified act of terrorism" that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.

- D. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

COMMERCIAL GENERAL LIABILITY
CG 21 86 12 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – EXTERIOR INSULATION
AND FINISH SYSTEMS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:
1. The design, manufacture, construction, fabrication, preparation, distribution and sale, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any "exterior insulation and finish system" or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system; or
 2. "Your product" or "your work" with respect to any exterior component, fixture or feature of any structure if an "exterior insulation and finish system", or any substantially similar system, is used on the part of that structure containing that component, fixture or feature.
- B.** The following definition is added to the **Definitions** Section:
- "Exterior insulation and finish system" means a non-load bearing exterior cladding or finish system, and all component parts therein, used on any part of any structure, and consisting of:
1. A rigid or semi-rigid insulation board made of expanded polystyrene and other materials;
 2. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
 3. A reinforced or unreinforced base coat;
 4. A finish coat providing surface texture to which color may be added; and
 5. Any flashing, caulking or sealant used with the system for any purpose.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONDITIONAL EXCLUSION OF TERRORISM INVOLVING
NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM
(RELATING TO DISPOSITION OF FEDERAL
TERRORISM RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

**A. Applicability Of The Provisions Of This
Endorsement**

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

- a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Part or Policy; or
- b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

- (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
- (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or

(3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

2. If the provisions of this endorsement become applicable, such provisions:

- a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and
- b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.
- B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are enclosed in quotation marks:
1. "Terrorism" means activities against persons, organizations or property of any nature:
 - a. That involve the following or preparation for the following:
 - (1) Use or threat of force or violence; or
 - (2) Commission or threat of a dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - b. When one or both of the following applies:
 - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
 2. "Any injury or damage" means any injury or damage covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part or Policy.

- C. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for "any injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury or damage" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

In the event of any incident of "terrorism" that is not subject to this Exclusion, coverage does not apply to "any injury or damage" that is otherwise excluded under this Coverage Part or Policy.

COMMERCIAL GENERAL LIABILITY
CG 22 33 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – TESTING OR CONSULTING
ERRORS AND OMISSIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. An error, omission, defect or deficiency in:
 - a. Any test performed; or
 - b. An evaluation, a consultation or advice given; by or on behalf of any insured;
2. The reporting of or reliance upon any such test, evaluation, consultation or advice; or
3. An error, omission, defect or deficiency in experimental data or the insured's interpretation of that data.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved that which is described in Paragraph 1., 2. or 3.

COMMERCIAL GENERAL LIABILITY
CG 22 34 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – CONSTRUCTION MANAGEMENT
ERRORS AND OMISSIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph **2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph **2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications by any architect, engineer or surveyor performing services on a project on which you serve as construction manager; or
2. Inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved that which is described in Paragraph **1.** or **2.**

This exclusion does not apply to "bodily injury" or "property damage" due to construction or demolition work done by you, your "employees" or your subcontractors.

**COMMERCIAL GENERAL LIABILITY
CG 22 60 12 07**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITATION OF COVERAGE –
REAL ESTATE OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

With respect to real estate operations, this insurance applies only to "bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, operation, maintenance or use of:

1. Such part of any premises you use for general office purposes; and
2. Premises listed or shown by you for sale or rental, if:
 - a. You do not own, operate, manage or rent the premises;
 - b. They are not in your care, custody, or control; or
 - c. You do not act as agent for the collection of rents or in any supervisory capacity.

**COMMERCIAL GENERAL LIABILITY
CG 22 79 04 13**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – CONTRACTORS –
PROFESSIONAL LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

1. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional services by you or on your behalf, but only with respect to either or both of the following operations:
 - a. Providing engineering, architectural or surveying services to others in your capacity as an engineer, architect or surveyor; and
 - b. Providing, or hiring independent professionals to provide, engineering, architectural or surveying services in connection with construction work you perform.
2. Subject to Paragraph 3. below, professional services include:
 - a. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
 - b. Supervisory or inspection activities performed as part of any related architectural or engineering activities.
3. Professional services do not include services within construction means, methods, techniques, sequences and procedures employed by you in connection with your operations in your capacity as a construction contractor.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or failure to render any professional services by you or on your behalf with respect to the operations described above.

COMMERCIAL GENERAL LIABILITY
CG 23 01 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – REAL ESTATE AGENTS OR BROKERS
ERRORS OR OMISSIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of any misrepresentation, error or omission by you or any real estate agent or broker who is either employed by you or performing work on your behalf in such capacity.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved any misrepresentation, error or omission by you or any real estate agent or broker who is either employed by you or performing work on your behalf in such capacity.

COMMERCIAL GENERAL LIABILITY
CG 24 13 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF PERSONAL AND ADVERTISING INJURY DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

With respect to **Coverage B Personal And Advertising Injury Liability**, Paragraph **14.e.** of the **Definitions** section does not apply.

COMMERCIAL GENERAL LIABILITY
CG 24 26 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INSURED CONTRACT DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the **Definitions** section is replaced by the following:

"Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

COMMERCIAL GENERAL LIABILITY
CG 26 77 12 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON – FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

- B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C. The following definition is added to the Definitions Section:**

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

ID 00 02 09 12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INSURING AGREEMENT – COVERAGE TRIGGER

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Paragraphs 1.b., 1.c., 1.d., and 1.e. of the Insuring Agreement of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages) are replaced by the following:

b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" first manifests during the policy period; and
- (3) The "claimant" sustains damages during the policy period because of the "bodily injury" or "property damage".

c. "Claimant" means a person or entity who or which makes a claim or brings a suit against an insured.

d. "Bodily injury" first manifests when it is medically diagnosed. "Property damage" first manifests when it is apparent to any person, whether or not an insured, a "claimant", or a property owner.

Manifestation of "bodily injury" or "property damage" is deemed to occur regardless of:

- (1) The extent of the injury or damage;
 - (2) Whether injury or damage is "continuous or progressive";
 - (3) Whether any claim or "suit" arising out of injury or damage is brought against any insured; or
 - (4) Whether any insured is legally obligated to pay damages because of "bodily injury" or "property damage".
- e. If this policy is renewed, so that the term is more than one annual period, the most we will pay for "bodily injury" and "property damage" that is "continuous or progressive" over more than one annual period, and that first manifests during one of the annual periods of this policy, is the applicable limit of insurance set forth in the declarations for the one annual period in which the injury or damage first manifests; but we will not pay more than we are legally obligated to pay under 1.a. above.

ID 00 02 09 12

- f. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

Paragraph 1. Insuring Agreement, SECTION I - COVERAGES, COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY is hereby amended to add new paragraphs 1.c., 1.d., 1.e., and 1.f. as follows:

- c. This insurance does not apply to any damages caused by "personal and advertising injury" that is "continuous or progressive" and that first manifests prior to the effective date or after the expiration of this policy, even if such injury is "continuous or progressive" during the term of this policy.
- d. "Personal and advertising injury" first manifests when it is apparent to any person, whether or not an insured, a "claimant", or a property owner.

Manifestation of "personal and advertising injury" is deemed to occur regardless of:

- (1) The extent of the injury;
 - (2) Whether the injury is "continuous or progressive";
 - (3) Whether any claim or "suit" arising out of the injury is brought against any insured; or
 - (4) Whether any insured is legally obligated to pay damages because of "personal and advertising injury".
- e. "Claimant" means a person or entity who or which makes a claim or brings a suit against an insured.
- f. If this policy is renewed, so that the term is more than one annual period, the most we will pay for "personal and advertising injury" that is "continuous or progressive" over more than one annual period, and that first manifests during one of the annual periods of this policy, is the applicable limit of insurance set forth in the declarations for the one annual period in which the injury or damage first manifests; but we will not pay more than we are legally obligated to pay under 1.a. above.

The following definition is added to SECTION V - DEFINITIONS:

"Continuous or progressive" means "bodily injury," "property damage" or a "personal and advertising injury" that progresses or continues over time, even if latent, cumulative, changing, evolving, deteriorating, intermittent or repeated.

All "continuous and progressive" "bodily injury", "property damage" or "personal and advertising injury" arising out of "your work" on a single project or development, and included in the "products-completed operations hazard", shall be deemed to have occurred at the time of the first such "bodily injury", "property damage" or "personal and advertising injury" and to have arisen out of the same "occurrence" in the case of "bodily injury" or "property damage", or in the case of "personal and advertising injury" out of the same offense. A single project or development includes all phases of the project or development.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REQUIREMENT OF ALLOCATION BETWEEN COVERED AND UNCOVERED DAMAGES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Section 1.a(2) of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages) is replaced by the following:

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**, or when we have paid, subject to the arbitration provisions in Section IV – Commercial General Liability Conditions paragraph 2.e. the portion of any judgment we deem to constitute the damages covered by this policy.

Section 2 of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS (2. Duties in the Event of Occurrence, Offense, Claim Or Suit) is amended to add a new subparagraph “e” as follows:

- e. In any suit we defend, the insured must, at our request, instruct the insured’s defense counsel to seek “allocation” for the purpose of allowing the most accurate determination between covered and uncovered damages.

If for any reason “allocation” is not obtained, or if a dispute arises between us and the insured over our determination of covered and uncovered damages, we will pay the portion of the judgment we deem in our sole discretion to constitute the damages covered by this policy until a different amount shall either be agreed upon between the parties, or determined by binding arbitration. Binding arbitration shall be according to applicable rules of the American Arbitration Association (for insurance disputes if established in the applicable state) before a single neutral arbitrator, or as otherwise agreed in writing by the parties. Binding arbitration may be requested by any affected insured or us, but it must be requested in writing no later than thirty (30) days after entry of judgment. Each party to any arbitration shall pay its own attorney’s fees and expenses and split equally the fees and expenses of the arbitrator unless otherwise required by the applicable state law.

The result of this section may be that an unpaid judgment against an insured is subject to execution by the plaintiff prior to completion of the arbitration process. Each insured waives and releases us from all liability for damages they may sustain as a result of any such execution, and/or arising out of the exercise of our discretion in determining the amount of covered damages payable under this policy. Each insured furthermore waives any right they may otherwise have to assign any such claim to others. The arbitration provisions contained herein constitute the exclusive mechanism by which the insured may dispute our determination of the amount of covered damages payable under this policy.

SECTION V – DEFINITIONS is amended to add the following definition:

“Allocation” means to secure a judgment form that distributes damages as closely as possible, and separately, between each allegation, claim, cause of action, however denominated, and shall be accomplished by any of the following as requested by us:

- a. Special verdict form if a trial by jury; or
- b. Findings of fact and conclusions of law if a bench trial.

**THESE ENDORSEMENTS FURTHER LIMIT COVERAGE UNDER THE
POLICY. PLEASE READ THESE ENDORSEMENTS CAREFULLY.**

GENERAL ENDORSEMENT

These endorsements modify insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

Your representations in applications are binding because of the following endorsement:

We are relying upon the representations made in any application for this policy, whether or not the application is attached to this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL CONDITIONS ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY POLICY

The following conditions precedent to coverage are added to and form part of the policy:

1. You must be named an additional insured on the commercial general liability policy of each contractor and subcontractor that performs work on your behalf throughout the time of each such contractor's and subcontractor's performance, and each such policy must provide defense as well as indemnity to you as an additional insured.
2. You must obtain a certificate of insurance from each contractor and subcontractor that performs work on your behalf prior to the commencement of each such contractor's and subcontractor's work indicating that each such contractor and subcontractor has a commercial general liability policy in effect.
3. Both the policy within which you are named as an additional insured and the certificate of insurance you obtain must have each occurrence, general aggregate, and products-completed operations aggregate limits, including sublimits, in an amount equal to or greater than this policy.
4. You must obtain a hold harmless agreement from each of your contractors and subcontractors, indemnifying you against all loss in any way related to work performed on your behalf by each such contractor and subcontractor.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – EARTH MOVEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION 1 – COVERAGES), AND PARAGRAPH 2., Exclusions of COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY (SECTION 1 – COVERAGES).

This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" caused by, arising or resulting from, or aggravated by earth movement of any kind whatsoever, whether or not combined with water, including but not limited to, earthquake, landslide, subsidence, mud flow, erosion, sinking, rising, shifting, expanding, contracting, consolidation, settling, slipping, falling away, collapse, caving in, flowing, and tilting.

This exclusion applies regardless of: (1) the causes of the earth movement, whether man made or through natural occurrence, or both; (2) whether the causes(s) would otherwise be covered; and (3) whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**WASHINGTON – EXCLUSION – VARIOUS EXCLUDED MATERIALS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION 1 – COVERAGES), AND PARAGRAPH 2., Exclusions of COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY (SECTION 1 – COVERAGES).

1. This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising, directly or indirectly, out of, caused by, resulting from, contributed to, or aggravated by, in whole or in part, any "excluded materials".
2. This exclusion applies whether injury or damage occurs in whole or in part through the actual or alleged or threatened inhalation of, injection of, contact with, exposure to, existence of, use of, removal of, manufacture of, transportation of, storage of, disposal of, or presence of any "excluded material".
3. This insurance does not apply to any loss, cost or expense arising out of any:
 - a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "excluded materials"; and
 - b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "excluded materials".
4. "Materials" mean any elements or combination of elements existing in nature or manufactured, whether or not a product, and whether or not used or incorporated in any product or any work. Excluded "materials" include:
 - a. Asbestos.
 - b. Lead.
 - c. Arsenic.
 - d. Silica or silica dust.
 - e. Fire retardant treated plywood unless the plywood meets the acceptance criteria for Fire-Retardant-Treated wood (AC66) standards by the ICC Evaluation Service, Inc.
 - f. "Entran Pipe". "Entran Pipe" is a brand and consists of a flexible hose system used for radiant heat under surfaces such as floors and driveways.
 - g. "CCA Wood Preservatives". "CCA Wood Preservatives" means any wood preservative product containing chromated copper arsenate (CCA), a chemical mixture of arsenic, chromium, and copper.
 - h. "Airborne Manganese". "Airborne Manganese" means gas, smoke, vapor, and fumes containing Manganese.
 - i. "Nanotechnology" produced. "Nanotechnology" means the creation of functional materials, devices, and systems through control of matter on the nanometer (1 to 100+ nm) length scale and the exploitation of novel properties and phenomena developed at that scale.
 - j. Dioxin.
 - k. Polychlorinated biphenyls.
 - l. Urea/Formaldehyde.

- m. Concrete Sulfates.
- n. Chromated Copper Arsenate.
- o. "Mixed Dust". "Mixed Dust" includes any dust particles from quartz, metallic or fibrous material.
- p. Electromagnetic Radiation and Electromagnetic Fields.
- q. Flammable products if the manufacturers' instructions for application, clean-up and storage are not strictly followed.

Other "excluded materials" may be mentioned elsewhere in endorsements or in the body of the policy itself. Their absence from the listing in Paragraph 4. is not intended to eliminate them as "excluded material" whether or not they are actually identified by that term.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MULTIPLE CAUSES OF LOSS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusion of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION 1 – COVERAGES), AND PARAGRAPH 2., Exclusions of COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY (SECTION 1 – COVERAGES).

Whenever this policy or any endorsement to the policy excludes a cause of injury or damage, we do not cover such injury or damage whether the excluded cause operated directly or indirectly, or whether any other cause or event contributed concurrently or in any sequence to the injury or damage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT – EXCLUSION I. DAMAGE TO YOUR WORK

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The second paragraph of exclusion I, Damage to Your Work, of SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2 Exclusions, is modified as follows:

The exclusion does not apply if damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor; provided, however, if the damage is caused by, arises out of, consists of, or is aggravated by "water", the most we will pay is \$100,000 per occurrence, \$100,000 aggregate.

"Water" means water in any form, whether solid, liquid or gaseous, or a combination of the foregoing, but does not include water leaking from appliances, equipment or pipes.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – GLOBAL CLIMATE CHANGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION 1 – COVERAGES), AND PARAGRAPH 2., Exclusions of COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY (SECTION 1 – COVERAGES).

1. This insurance does not apply to "bodily injury", "property damage", or "advertising and personal injury" arising, directly or indirectly, out of, caused by, resulting from, contributed to, or aggravated by, in whole or in part, global climate change.
2. This insurance does not apply to any loss, cost or expense arising out of any:
 - a. Request, demand, order or statutory or regulatory requirement arising out of or in any way related to global climate change; or
 - b. Claim or suit by or on behalf of a governmental authority for damages arising out of or in any way related to global climate change.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT TO SECTION III – LIMITS OF INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Section III – Limits of Insurance is hereby amended to change the last paragraph (which is an unnumbered paragraph that follows paragraph 7) of Section III to read in full as follows when endorsement ID 00 02 **is not** applicable:

Except with respect to "bodily injury" or "property damage" or "personal and advertising injury" that is "continuous or progressive", the Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months; in which case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance. With respect to "bodily injury" or "property damage" or "personal and advertising injury" that is "continuous or progressive" over more than one annual period, and that first occurs or is alleged to have first occurred during one of the annual periods of this policy, the applicable limit of insurance set forth in the declarations for the one annual period in which the damage or injury first occurs or is alleged to have first occurred, whichever is earlier, will be the sole Limit of Insurance.

Section III – Limits of Insurance is hereby amended to change the last paragraph (which is an unnumbered paragraph that follows paragraph 7) of Section III to read in full as follows when endorsement ID 00 02 **is** applicable:

Except with respect to "bodily injury" or "property damage" or "personal and advertising injury" that is continuous or progressive", the Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months; in which case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance. With respect to "bodily injury" or "property damage" or "personal and advertising injury" that is "continuous or progressive" over more than one annual period, and that first occurs or is alleged to have first occurred during one of the annual periods of this policy, the applicable limit of insurance set forth in the declarations for the one annual period in which the damage or injury first manifests or is alleged to have first manifested, whichever is earlier, will be the sole Limit of Insurance.

The following definition is added to SECTION V - DEFINITIONS:

"Continuous or progressive" means "bodily injury," "property damage" or a "personal and advertising injury" that progresses or continues over time, even if latent, cumulative, changing, evolving, deteriorating, intermittent or repeated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**CHANGES IN COMMERCIAL GENERAL LIABILITY POLICY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART**A. SECTION III - LIMITS OF INSURANCE** is amended to add the following to paragraph 5:

The Each Occurrence Limit shown in the Declarations of this policy is the most we will pay regardless of the number of policies issued to an insured by us which apply or alleged to apply to the same "occurrence".

B. Additional Exclusions are added to SECTION 1. COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions and COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY, Paragraph 2. Exclusions.

This insurance does not apply to:

1. Punitive or Exemplary Damage

If a "suit" is brought against the insured for damages covered by this policy, seeking both compensatory and punitive or exemplary damages, we will afford a defense to such action. We will not have any obligation to pay punitive or exemplary damages, or any interest or costs attributable to such damages. This exclusion does not apply in any state where such endorsement is expressly prohibited by state law or insurance department regulations.

2. Communicable Disease / Sexual Misconduct

"Bodily injury", "property damage", or "personal and advertising injury" arising out of the

- a) Transmission, actual or alleged, of a communicable disease by any insured, including, but not limited to, Acquired Immune Deficiency Syndrome (AIDS);
- b) Failure to perform services which were either intended to or assumed to prevent communicable diseases or their transmission to others; or
- c) Sexual misconduct, including but not limited to any verbal or nonverbal communication, behavior or conduct with sexual connotations or purposes, whether for sexual gratification, discrimination, intimidation, coercion or other purpose, regardless of whether such action is alleged to be intentional or negligent.

3. Cross Suits

"Bodily injury", "property damage" or "personal and advertising injury" for any claim made or "suit" brought by any insured against any other insured, except this exclusion does not apply to a claim or "suit" brought against you by any insured added to this policy by endorsement unless that insured is your "affiliate."

4. Unlicensed Work

"Bodily injury", "property damage" or "personal and advertising injury" arising out of "your work" if "your work" is or was performed in a state without an appropriate, current and valid state contractor's license or registration when a state contractor's license or

registration is available or required for the type of work that you performed or are performing in that state.

5. Plans and Drawings

"Personal and advertising injury" arising out of drawings, plans or specifications.

C. **SECTION V - DEFINITIONS** is amended as follows.

1. Paragraph 5 is amended to read in full as follows:

"Employee" includes a "leased worker" and a "temporary worker".

2. Paragraph 19. "Temporary worker" is amended to add the following sentence:

"Temporary worker" includes casual labor.

3. A new definition is added as follows:

"Affiliate" shall mean any person, any corporation or business entity which controls, is controlled by, or is under common control with, such person or entity.

D. **COORDINATION OF ENDORSEMENTS**

If two or more endorsements to this policy apply to the same loss, each endorsement shall be interpreted so as to give effect to all of its provisions.

E. **INDEPENDENT CONTRACTOR POLICY LIMITS**

Notwithstanding anything to the contrary contained in any other provision of the Policy, unless otherwise agreed in writing between you and us, the insured's independent contractors will not be required to obtain limits of insurance greater than \$1,000,000 each occurrence, \$1,000,000 products aggregate, and \$1,000,000 general aggregate limit.

F. **ASSIGNMENT**

Your rights or duties under this policy may not be transferred without our written consent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

STATE SPECIFIC ENDORSEMENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Notwithstanding anything to the contrary contained in the policy:

1. A state specific endorsement applies only to that state;
2. An endorsement that is not offered or approved for use by us in a particular state in which we do business does not apply to that particular state even though it may be attached to the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – NON-COMPLIANCE WITH BUILDING CODES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following additional exclusion is added to SECTION 1. COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions and COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY, Paragraph 2. Exclusions.

This insurance does not apply to:

"Bodily injury," "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the design, construction, fabrication, maintenance or repair, including remodeling, of any structure in a manner not in compliance with the controlling building code. This exclusion applies notwithstanding any ecological or resource-efficient benefits that might result from such design, construction, fabrication, maintenance or repair.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE TERRITORY AMENDMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Schedule

| | |
|---|-------------------|
| States: | <u>Arizona</u> |
| | <u>California</u> |
| | <u>Idaho</u> |
| | <u>Nevada</u> |
| | <u>Oregon</u> |
| | <u>Washington</u> |
| States listed in schedule are not subject to exclusion. | |

Notwithstanding anything else to the contrary contained in the policy, this insurance does not apply to “bodily Injury” or “property damage” or “personal and advertising injury” arising or in any way related to “your work” or “your products” from operations, whether ongoing or completed, in any country other than the United States, and, within the United States, in any state other than those states indicated in the schedule above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

In the event of cancellation by the insured, the minimum earned premium shall be fully earned at the inception of the policy and shall be twenty percent (20%) of the amount entered as Advance Premium in the Declarations; provided however it shall not be less than the dollar amount shown in the Declarations as the Minimum Premium if applicable.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CONSTRUCTION MANAGEMENT AND CONSULTING

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to “bodily injury” or “property damage” arising out of or resulting from any insured acting as or in the capacity of a “construction manager” or “construction consultant”.

For purposes of this exclusion, “construction manager” or “construction consultant” means any person or entity undertaking to manage, consult on, advise on, or control construction planning, activities or work except as a “general contractor”.

For purposes of this endorsement, “general contractor” means a contractor, not affiliated with the owner, having a written contract with the owner, and is required in return for monetary compensation by the owner: to supply all labor and material to complete one or more projects using its own employees, material suppliers or subcontractors; to pay for all labor, subcontractors and materials from the general contractor’s own funds in the ordinary course of its business in pursuit of profit; to invoice the owner to cover payouts to employees, subcontractors and suppliers as each project progresses; and to have direct written contracts or purchase orders with its subcontractors and suppliers.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. **Section II – Who Is An Insured** is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused by and to the extent of your negligence in the performance of your ongoing operations for the additional insured. A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b. Supervisory, inspection, architectural or engineering activities.
2. "Bodily injury" or "property damage" occurring after:
 - a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
 - b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
3. "Bodily injury", "property damage" or "personal and advertising injury" involving or related to or in connection with any additional insured or any location covered by a scheduled or blanket additional insured endorsement that is a part of the policy.

C. **Primary and Non-contributory Insurance** - We will consider this insurance to be primary and non-contributory to other insurance issued directly to additional insured person(s) or organization(s) to which this endorsement applies if each such additional insured is a named insured in such other insurance and a written contract between you and such person(s) or organization(s) specifically requires that we consider this insurance to be primary and non-contributory..

D. **Waiver of Subrogation** – We waive any right of recovery we may have against the additional insured person(s) or organization(s) to which this endorsement applies if each such additional insured is a named insured in such other insurance and a written contract between you and such person(s) or organization(s) specifically requires that we waive subrogation of payments we make for injury or damage arising out of "your work" done under a contract with such person(s) or organization(s) to which this endorsement applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

EXCLUSION – GREEN BUILDING

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following additional exclusion is added to **SECTION 1. COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions** and **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY, Paragraph 2. Exclusions**.

This insurance does not apply to:

"Bodily injury," "property damage" or "personal and advertising injury" arising out of "green" or attempts to achieve "green", but only with respect to intangible, non-physical, economic or consequential injury or damages arising out of failing to meet standards, requirements, warranties, or deadlines regarding: certification, documentation, record retention, commissioning, rating, energy use, water use, air quality, testing, training, occupancy, tax credits, incentives, code compliance, or performance of equipment, systems or materials.

When used herein:

"Green" means enhanced energy efficiency or use of environmentally-preferable, sustainable materials, products or methods in design, construction, manufacture or operation, as recognized by a "green standards-setter".

"Green standards-setter" means an organization or governmental agency which produces and maintains guidelines related to "green" products and practice. "Green standard-setters" include but are not limited to:

1. The Leadership in Energy and Environmental Design (LEED®) program of the U.S. Green Building Council;
2. ENERGY STAR, a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy; and
3. Green Globes™, a program of the Green Building Initiative.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

EXCLUSION – TAKEOVER OF UNFINISHED WORK

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following additional exclusion is added to **SECTION 1. COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions** and **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY, Paragraph 2. Exclusions.**

This insurance does not apply to:

“Bodily injury”, “property damage” or “personal and advertising injury” arising out of or in any way related to any real property where “your work” on or contiguous to that real property is as a:

1. “Takeover contractor”; or
2. Subcontractor or supplier to a “takeover contractor”

“Takeover contractor” means a contractor that continues, completes, finishes, repairs or replaces any work of a previous contractor on real property that is in the “course of construction” at the time of “takeover”.

“Takeover” means the earlier of the date the “takeover contractor” signs the contract to become a “takeover contractor” or starts work as a “takeover contractor”.

“Course of construction” means that period after construction begins until the entire project has been: (a) finally accepted by its current owner or purchaser; and (2) put to its intended use; and (3) permitted for occupancy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTOMATIC TERMINATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

If we offer to renew and you or your representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal premium when due shall mean that you have not accepted our offer.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Exclusion – Weather-Related Water Damage or Injury During Work In Progress

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., Exclusions of Coverage A – Bodily Injury and Property Damage Liability (Section 1 – Coverages), and Paragraph 2., Exclusions of Coverage B – Personal and Advertising Injury Liability (Section 1 – Coverages).

This insurance does not apply to “Bodily injury”, “property damage” or “personal and advertising injury” to any building or structure or its contents before “your work” is completed resulting from, caused by or arising out of “water” (for purposes of this exclusion, “water” means water in any form, whether solid, liquid or gaseous, or a combination of the foregoing) entering through an opening created during the course of “your work”.

However, this exclusion does not apply to new construction in any event, or if you checked and documented in writing the weather reports just prior to the opening being created and regularly, at least daily if “your work” takes more than one day, between the time the opening was created and the time “your work” has been performed, and you have taken “appropriate” steps to protect against damage or injury. For purposes of this exclusion, “appropriate” means conduct or action customarily taken or used by similar contractors in the local area as a best practice to protect or prevent damage or injury under similar circumstances.

Notwithstanding SECTION V – DEFINITIONS, “Products-completed operations hazard”, “your work” will not be considered completed until all work (not just “your work”) to be done at the job site has been completed.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**EXCLUSION – RESIDENTIAL HOUSING**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusion of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION 1 – COVERAGES), AND PARAGRAPH 2., Exclusions of COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY (SECTION 1 – COVERAGES).

- A. This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of, in whole or in part, "your work" or the work of any other insured on, within, or upon, or "your products" or the products of any other insured supplied to, used on or with, or incorporated within any:
1. "Common interest development"; or
 2. "Rental complex"; or
 3. "New residential construction" other than 1 above; or
 4. "Owned unit".
- B. The exclusion in **A.1.** above does not apply to:
1. Work performed and products supplied solely within the boundaries of a "separate interest" after "completion"; or
 2. Work performed and products supplied by you to any "common area" after "completion", so long as:
 - a. Neither you nor any other insured corrects, repairs or replaces a "construction defect" involved in: any forthcoming claim or "suit" of which you are aware at the time of correction, repair or replacement; or any current or prior claim or "suit"; and
 - b. Neither you nor any other insured works on the "exterior" of the "common interest development" structure.
- C. The exclusion in **A.2.** above does not apply to a "Rental complex" where all of the following are true:
1. The "rental complex" is not converted to a "common interest development" at any point (unless one or more of the exceptions in B. above would otherwise apply); and
 2. The injury or damage does not arise from:
 - a. "Stand alone" plumbing or "building envelope" work, or any combination thereof within a "rental complex"; or
 - b. Performing any or all of the following work as a subcontractor within a "rental complex": plumbing or "building envelope" work; and
 3. The "rental complex" in which "your work" or "your products" does not involve more than 14 "units".

D. The exclusion in **A.3.** above does not apply if:

1. You are the “builder” and you do not build more than:
 - a. A 4-plex; and
 - b. 4 “units” in a “rental complex” during all of our policy periods; and
 - c. 10 “units” in the “same project” other than a “rental complex” during all of our policy periods; and
 - d. “Your work” or “your products” do not involve more than 4 “units” in the “same project” other than in a “rental complex” in any of our policy periods; or
2. You are not the “builder” and “your work” or “your products” do not involve more than 4 “units” in the “same project” other than in a “rental complex” in any of our policy periods.

E. The exclusion in **A.4.** above does not apply unless the work is to correct, repair or replace a “construction defect” involved in: any forthcoming claim or “suit” of which you are aware at the time of correction, repair or replacement; or any current or prior claim or “suit”.

“Builder” means the person or entity that actually acts as the general contractor in building a structure.

“Building envelope” means for purposes of this endorsement: the foundation, including the foundation flooring, framing, roof, gables, siding, cladding, doors (other than garage doors), windows, skylights, gutters, and decks over living areas or otherwise attached to the structure.

“Care facility” means a “rental complex” where residents may be assisted with any major life activity as defined under the Americans with Disabilities Act.

“Common area” means any area not reserved for exclusive use by a “separate interest”.

“Common interest development” means: a “condominium”, a “community apartment” or a “stock cooperative”

“Community apartment” consists of an undivided interest in land coupled with the right of exclusive occupancy of any housing unit located on the land.

“Condominium” is an undivided interest in common in a portion of real property, coupled with a “separate interest” in an “owned unit”. “Completion” means when a certificate of occupancy is issued, or the time of the sale of the first residential unit to be occupied by its “owner”, whichever is earlier.

“Construction defect” means a defect in design or construction.

“Exterior” means the outside of a structure, including, but not limited to, the roof, gables, siding, windows, decks, and railings.

“New residential construction” means original construction as opposed to remodel. For purposes of this endorsement, a remodel of a “rental structure” is any work on an existing “rental structure”, whether the “rental structure” is expanded in size or not, but the number of units as a result of the remodel may not exceed the number of units allowed in a “rental complex” by this endorsement. For purposes of this endorsement, “new residential construction” at a “rental complex” is anything other than a remodel. If work performed and products supplied by a general contractor in, on or to a “rental complex” includes “new residential construction” and a remodel, there is no coverage at all if the number of units added by “new residential construction” plus the number of units worked on as a remodel exceeds the number allowed by this endorsement. For example, if 14 units are allowed to be worked on and/or products

supplied to and 4 are built new, if 11 units are remodeled the total is 15, so there is no coverage even though new construction is within the 4 units allowed.

"Owned unit" means a residential "unit" owned and occupied by the "owner" or a person lawfully entitled to occupy the "unit" by the "owner".

"Owner" does not include the developer or any related organization.

"Project" means an entire development or planned development, whether one or more lots, parcels, subdivisions, tracts or otherwise.

"Rental complex" means every "rental structure" in the "same project". "Rental complex" includes both a "care facility" and a "school facility".

"Rental structure" means a structure where all living "units" are or intended to be rented or leased, as opposed to owned by the residents.

"Same project" includes any "project": for the same owner or related owners; or pursuant to a single contract or series of contracts; or developed or completed in phases; whether contiguous or not, whether bearing the same name or not; and whether built at the same time or not.

"School facility" means a "rental complex" where residents may live while attending a school, including, but not limited to, a dorm, fraternity, sorority, or other student housing.

"Separate interest" means an individual condominium "owned unit", an individual "community apartment", or that portion to which exclusive occupancy belongs within a "stock cooperative".

"Single family residence" means a residence built for use by one household or family, not sharing a common wall with any other residential structure, and not built as part of a "rental complex".

"Stand alone" means entirely or substantially all.

"Stock cooperative" is a development in which a corporation is formed primarily for the purpose of holding title to, either in fee simple or for a term of years to improved real property, and all or substantially all of the shareholders of the corporation receive a right of exclusive occupancy in a portion of the real property, title to which is held by the corporation. The owner's interest in the corporation is usually evidenced by a share of stock or a certificate of membership.

"Unit(s)", which respect to a "rental complex" include(s) single or multiple rooms within a "rental complex" as well as more self-contained living units (e.g., units with one or more kitchens, bathrooms, bedrooms or other living areas). Work on or to the "exterior" or areas of a "rental complex" not reserved for use by a single resident shall be considered work on all the "units" in the "rental complex". "Units", with respect to everything other than a "rental complex" or "common interest development" means single family residences, whether in the form of a free standing single family home, a duplex (2 units), a triplex (3 units), or a 4-plex (4 units).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**INSURING AGREEMENT AMENDMENT - USE OF EXTRINSIC EVIDENCE - DUTY
TO DEFEND OR INDEMNIFY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

Paragraph 1. a. of **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** and Paragraph 1. a. of **SECTION I – COVERAGES, COVERAGE B PERSONAL AND ADVERTISING INJURY** are hereby amended to add the following:

We may look to extrinsic evidence outside of the allegations and/or facts pleaded by any claimant to determine whether we owe a duty to defend or indemnify against a “suit” seeking “bodily injury”, “property damage,” or “personal and advertising injury”. We may rely on extrinsic evidence to deny the defense and/or indemnity of a “suit”.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREMIUM AUDIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 5. Premium Audit, is hereby amended to add the following:

1. Records the First named insured must provide upon request include, but are not limited to:
 - a. All checking account records, accounts receivable and payable, general ledgers and payroll records;
 - b. All tax returns, including partnership and corporate tax returns, as well as all payroll tax returns, including quarterly payroll tax returns; and
 - c. Contracts and invoices.
2. If the first Named Insured does not allow us access to the records and make available information, then at our sole discretion, we may:
 - a. Initiate a legal and/or equitable proceeding in a court to force an audit or disclosure of records necessary to complete an audit or to secure an accounting; or
 - b. Invoice the first Named Insured based on our best estimate of exposures for the expiring policy period, but, in any event, not less than an additional 25% of the deposit premium shown in the Declarations.
3. All additional premiums invoiced are due and payable by the first Named Insured thirty (30) days after mailing of the invoice by us or our authorized representative.
4. The first Named Insured further agrees to pay, upon demand, all reasonable attorney's fees, collection costs, and court costs required by us to enforce our rights and remedies set forth above.
5. Any failure by us in auditing the policy or inspecting records or any waiver of our rights to inspection of books and records, shall not act as a continuing or permanent waiver.
6. We retain the right to audit the policy at any time at our sole discretion for three (3) years after termination of the policy in question.
7. For accounts with minimal premium basis exposures when the deposit premium was calculated, the audit may be waived by us.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNDERGROUND UTILITY LOCATION CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is hereby amended to add the following:

Underground Utility Location

It is a condition precedent to coverage that before the insured commences any digging, excavation, boring or similar underground work, a local locator service must come to the job site and mark all underground lines, pipes, cables and underground utilities. The insured must obtain and retain a written record from the locator service. If this is not done, there is no coverage under the policy for any loss, costs or expenses arising out of such operations, and we shall have no duty to defend or indemnify with respect thereto.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – INJURY TO EMPLOYEES - WASHINGTON

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

An additional exclusion is added to **SECTION 1. COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions** and **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY, Paragraph 2. Exclusions**.

zz. Liability For "Bodily Injury" To Any "Employee" Of An Insured Other Than The Named Insured Shown In the Declarations

(1) "Bodily Injury" To An "Employee" Where Any "Insured" Relationship Exists

(a) "Bodily injury" to any "employee" of any "insured" other than the Named Insured shown in the Declarations, and/or any "employee" of any contractor or subcontractor hired or retained by or for any "insured", which arises out of or is in any way related to or is a consequence of his or her employment with any "insured" other than the Named Insured shown in the Declarations, or the performance of his or her duties related to the business of any "insured" other than the Named Insured shown in the Declarations, or the performance of his or her duties related to the business of any contractor or subcontractor hired or retained by any "insured", for which any "insured" other than the Named Insured shown in the Declarations may be liable in any capacity; and/or

(b) "Bodily injury" sustained by the spouse, child, parent, brother, sister, or heir of any "employee" of any "insured" other than the Named Insured shown in the Declarations, and/or any "employee" of any contractor or subcontractor hired or retained by or for any "insured", which arises out of or is related to or is a consequence of any "bodily injury" to any "employee" of any "insured" other than the Named Insured shown in the Declarations, or any "employee" of any contractor or subcontractor hired or retained by or for any "insured", for which any "insured" other than the Named Insured shown in the Declarations may be liable in any capacity.

(2) "Bodily Injury" To An "Employee" Where No "Insured" Relationship Exists

(a) "Bodily injury" to any "employee" of any contractor, subcontractor, or materialman on any "jobsite" on which you are or have been performing operations; or

(b) "Bodily injury" sustained by the spouse, child, parent, brother or sister or heir of any "employee" of any contractor, subcontractor, or materialman on any "jobsite" on which you are or have been performing operations.

(3) Any statutory, contractual or other legal obligation of any "insured" to defend or indemnify, hold harmless or contribute to any claim or suit seeking damages arising out of or related to "bodily injury" or damages described in sections **(1)** and **(2)** above.

For purposes of this endorsement, "bodily injury" includes, but is not limited to, any damages for loss of consortium, loss of care, comfort and society, loss of services, loss of financial support, and any liability assumed or required under any statute, contract or agreement.

For purposes of this endorsement, "employee" of an insured other than the Named Insured shown in the Declarations includes a "temporary worker", special employee, "leased worker", sole proprietor, partner, member, officer and director.

For purposes of this endorsement, "insured" includes but is not limited to an additional insured.

For purposes of this endorsement, "job site" means any location, whether or not on more than one lot, and whether or not those lots are contiguous, and including the ways and means adjoining any such location.

All other terms and conditions remain unchanged.

NOTICE TO POLICYHOLDERS

POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE CONDITIONAL EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM

This Notice has been prepared in conjunction with the POTENTIAL implementation of changes related to coverage of terrorism under your policy.

The Terrorism Risk Insurance Act (as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2007) established a program (Terrorism Risk Insurance Program) within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. **The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.** That Program is subject to a termination date of December 31, 2014 unless extended by the federal government. If the federal Program terminates, or is extended with certain changes prior to or during the term of your policy, then the treatment of terrorism under your policy will change. This Notice is being provided to you for the purpose of summarizing potential impact on your coverage. The summary is a brief synopsis of significant exclusionary provisions and limitations.

This Notice does **not** form a part of your insurance contract. The Notice is designed to alert you to coverage restrictions and to other provisions in certain terrorism endorsement(s) in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

Carefully read your policy, including the endorsements attached to your policy.

YOUR POLICY DURING TENURE OF THE TERRORISM RISK INSURANCE PROGRAM AS THAT PROGRAM EXISTS PURSUANT TO THE TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF 2007:

Endorsement CG 21 84 is attached to your policy as described below.

The terrorism endorsement in this policy excludes coverage for "certified acts of terrorism"(which is more fully defined in the endorsement), but such exclusion applies only if the event qualified as a nuclear event or if the event qualified under certain circumstances as a biological or chemical event. The certified-acts coverage that remains is subject to a limit on our liability pursuant to the federal Terrorism Risk Insurance Act and is subject to all policy exclusions (for example, the war liability exclusion) and other policy provisions.

CONDITIONAL EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM

POTENTIAL CHANGE OF YOUR POLICY:

Endorsement CG 21 88 is attached to your policy.

The provisions of this endorsement will become applicable to your policy only if certain events (one or more of them) occur. Those events include the following:

1. If the federal Terrorism Risk Insurance Program (TRIP) terminates with respect to the type of insurance provided under this policy. (TRIP is/was scheduled to terminate at the end of December 31, 2014 unless extended by the federal government.); or
2. If TRIP is extended with changes that redefine terrorism, and we are not required to make such revised coverage available to you; or
3. If TRIP is extended with changes that make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other events or occurrences under this policy, and we are not required to make such revised coverage available to you; or
4. If TRIP is extended with changes that increase insurers' statutory percentage deductible under TRIP for terrorism losses, or decrease the federal government's statutory percentage share in potential terrorism losses, and we are not required to make terrorism coverage available to you. Our deductible is 20% of the total of our previous year's direct earned premiums. The government's share is 85% of the terrorism losses paid by us above the deductible.

POLICY NUMBER: BIS00020556-01

COMMERCIAL INLAND MARINE

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CONTRACTORS CHOICE INLAND MARINE DECLARATIONS

| | |
|--|--|
| Developers Surety and Indemnity Company P.O. Box 19725 Irvine, CA 92623 | Dale Gilbertson (BCIB/Best Contractors Insurance & Bonds) 733 7th Avenue, Suite 112 Kirkland, WA 98033 Phone Number: 425-828-6824 |
| <p>NAMED INSURED: <u>Modern Shelter LLC</u></p> <p>DBA: _____</p> <p>MAILING ADDRESS: <u>906 19TH AVE E</u> <u>SEATTLE, Washington 98112</u></p> <p>POLICY PERIOD: FROM <u>11/29/2014</u> TO <u>11/29/2015</u> AT 12:01 A.M. TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.</p> | |

| | |
|-----------------------|-----|
| BUSINESS DESCRIPTION: | LLC |
|-----------------------|-----|

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY,
WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

| | |
|---|---------|
| A. PROPERTY AT YOUR PREMISES | Premium |
| Please refer to "CONTRACTORS CHOICE LOCATION SCHEDULE" for specific coverages | |

| B. CONTRACTORS INSTALLATION COVERAGE | Deductible Limit | Limit of Insurance | Premium |
|---|------------------|--------------------|---------|
| Property at Each Covered Job Site | | | |
| Aggregate Limit for All Covered Job Sites | | | |
| In Transit | | | |
| At Temporary Storage Location | | | |

| C. CONTRACTORS TOOLS & EQUIPMENT | Deductible Limit | Limit of Insurance | Premium |
|---|------------------|--------------------|---------|
| Unscheduled (No one item to exceed \$2,500) | \$500 | \$5,000 | \$ |
| | | | |
| | | | |
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| D. COMPUTER COVERAGE | Deductible Limit | Limit of Insurance | Premium |
|-----------------------------|------------------|--------------------|---------|
| | | | |
| | | | |

| | |
|---------------|----|
| Total Premium | \$ |
|---------------|----|

IL 00 03 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

WASHINGTON COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

The conditions in this endorsement replace any similar conditions in the policy that are less favorable to the insured.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured and the first Named Insured's agent or broker written notice of cancellation, including the actual reason for the cancellation, to the last mailing address known to us, at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 45 days before the effective date of cancellation if we cancel for any other reason;
 except as provided in Paragraphs 3. and 4. below.
3. We may cancel the Commercial Property Coverage Part and the Capital Assets Program (Output Policy) Coverage Part, if made a part of this policy, by mailing or delivering to the first Named Insured and the first Named Insured's agent or broker written notice of cancellation at least 5 days before the effective date of cancellation for any structure where 2 or more of the following conditions exist:
 - a. Without reasonable explanation, the structure is unoccupied for more than 60 consecutive days, or at least 65% of the rental units are unoccupied for more than 120 consecutive days unless the structure is maintained for seasonal occupancy or is under construction or repair;
 - b. Without reasonable explanation, progress toward completion of permanent repairs to the structure has not occurred within 60 days after receipt of funds following satisfactory adjustment or adjudication of loss resulting from a fire;
 - c. Because of its physical condition, the structure is in danger of collapse;
 - d. Because of its physical condition, a vacation or demolition order has been issued for the structure, or it has been declared unsafe in accordance with applicable law;
 - e. Fixed and salvageable items have been removed from the structure, indicating an intent to vacate the structure;
 - f. Without reasonable explanation, heat, water, sewer, and electricity are not furnished for the structure for 60 consecutive days; or
 - g. The structure is not maintained in substantial compliance with fire, safety and building codes.
4. If:
 - a. You are an individual;
 - b. A covered auto you own is of the "private passenger type"; and
 - c. The policy does not cover garage, automobile sales agency, repair shop, service station or public parking place operations hazards;
 we may cancel the Commercial Automobile Coverage Part by mailing or delivering to the first Named Insured and the first Named Insured's agent or broker written notice of cancellation, including the actual reason for cancellation, to the last mailing address known to us:
 - a. At least 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. At least 10 days before the effective date of cancellation for any other reason if the policy is in effect less than 30 days; or
 - c. At least 20 days before the effective date of cancellation for other than nonpayment if the policy is in effect 30 days or more; or
 - d. At least 20 days before the effective date of cancellation if the policy is in effect for 60 days or more or is a renewal or continuation policy, and the reason for cancellation is that your driver's license or that of any driver who customarily uses a covered "auto" has been suspended or revoked during policy period.

5. We will also mail or deliver to any mortgage holder, pledgee or other person shown in this policy to have an interest in any loss which may occur under this policy, at their last mailing address known to us, written notice of cancellation, prior to the effective date of cancellation. If cancellation is for reasons other than those contained in Paragraph **A.3.** above, this notice will be the same as that mailed or delivered to the first Named Insured. If cancellation is for a reason contained in Paragraph **A.3.** above, we will mail or deliver this notice at least 20 days prior to the effective date of cancellation.
6. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
7. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be at least 90% of the pro rata refund unless the following applies:
 - a. For Division Two – Equipment Breakdown, if the first Named Insured cancels, the refund will be at least 75% of the pro rata refund.
 - b. If:
 - (1) You are an individual;
 - (2) A covered auto you own is of the "private passenger type";
 - (3) The policy does not cover garage, automobile sales agency, repair shop, service station or public parking place operations hazards; and
 - (4) The first Named Insured cancels;
 the refund will be not less than 90% of any unearned portion not exceeding \$100, plus 95% of any unearned portion over \$100 but not exceeding \$500, and not less than 97% of any unearned portion in excess of \$500.
 The cancellation will be effective even if we have not made or offered a refund.
8. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

The policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspection And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs **1.** and **2.** of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph **2.** of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

G. Nonrenewal

1. We may elect not to renew this policy by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal, to the first Named Insured and the first Named Insured's agent or broker, at their last mailing addresses known to us. We will also mail to any mortgage holder, pledgee or other person shown in this policy to have an interest in any loss which may occur under this policy, at their last mailing address known to us, written notice of nonrenewal. We will mail or deliver these notices at least 45 days before the:

- a. Expiration of the policy; or
- b. Anniversary date of this policy if this policy has been written for a term of more than one year.

Otherwise, we will renew this policy unless:

- a. The first Named Insured fails to pay the renewal premium after we have expressed our willingness to renew, including a statement of the renewal premium, to the first Named Insured and the first Named Insured's insurance agent or broker, at least 20 days before the expiration date;

- b. Other coverage acceptable to the insured has been procured prior to the expiration date of the policy; or
- c. The policy clearly states that it is not renewable, and is for a specific line, subclassification, or type of coverage that is not offered on a renewable basis.

2. If:

- a. You are an individual;
- b. A covered auto you own is of the "private passenger type"; and
- c. The policy does not cover garage, automobile sales agency, repair shop, service station or public parking place operations hazards;

the following applies to nonrenewal of the Commercial Automobile Coverage Part in place of **G.1.**:

- a. We may elect not to renew or continue this policy by mailing or delivering to you and your agent or broker written notice at least 20 days before the end of the policy period including the actual reason for nonrenewal. If the policy period is more than one year, we will have the right not to renew or continue it only at an anniversary of its original effective date. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
- b. We will not refuse to renew Liability Coverage or Collision Coverage solely because an "insured" has submitted claims under Comprehensive Coverage or Towing and Labor Coverage.
- c. If we fail to mail or deliver proper notice of nonrenewal and you obtain other insurance this policy will end on the effective date of that insurance.

POLICY NUMBER:

IL 09 85 01 08

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

Terrorism Premium (Certified Acts) \$

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):

COMMERCIAL INLAND MARINE COVERAGE PART

Additional information, if any, concerning the terrorism premium:

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

WASHINGTON CONTRACTORS CHOICE PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION G – PROPERTY DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss or damage to Covered Property described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this policy, means the type of property as described in this section, **A.1**, and not limited in **A.2**, Property Not Covered.

a. Business Personal Property

(1) If a Limit of Insurance is shown in the Declarations, Covered Property includes Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises, including:

- (a) Property you own that is used in your business;
- (b) Property of others in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition **E.5.d(2)**;
- (c) Leased personal property for which you have a contractual responsibility to insure.

b. Coverage Extension

In addition to the Limits of Insurance for Business Personal Property, if, and only if, a Limit of Insurance is shown in the Declarations, the insurance provided is extended as follows to property located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises.

- (1) Personal effects owned by you, your officers, your partners or your employees.

This extension does not apply to loss or damage by theft.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises.

(2) Extra Expense**(a) Extra Expense**

We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (i) The portion of the building which you rent, lease or occupy; and
- (ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

(b) Extra Expense means expense incurred:

- (i) To avoid or minimize the suspension of business and to continue "operations":

- (a) At the described premises; or
- (b) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.
- (ii) To minimize the suspension of business if you cannot continue "operations".
- (iii) To:
 - (a) Repair or replace any property to the extent it reduces the amount of loss that otherwise would have been payable under this Extended Coverage.

We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.

The most we will pay for this Coverage Extension is \$5,000, unless a higher Limit of Insurance for Extra Expense is shown in the Declarations.

2. Property Not Covered

Covered Property does not include:

- a. Buildings or structures including permanently installed machinery, equipment and other fixtures, all whether or not in the course of construction, reconstruction, renovation, repair or upkeep;
- b. Aircraft; dealers' demonstration equipment, machinery and vehicles; dirt bikes, house trailers, mobile homes, mopeds, motorcycles, motorized bicycles, tricycles or four-wheel all-terrain vehicles; snowmobiles, trucks and vehicles primarily designed and licensed for road use;
- c. "Money" or "securities";
- d. Contraband, or property in the course of illegal transportation or trade;
- e. Land (including land on which the property is located), water, growing crops or lawns;
- f. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs, trees, shrubs or plants;

- g. Watercraft (including motors, equipment and accessories).
 - h. Contractors' Installation Coverage (including loss of or damage to materials, supplies, equipment, machinery and fixtures owned by you or in your care custody or control intended for installation by you or at your direction)
 - i. Contractors' Tools and Equipment (including accessories, whether or not attached, and spare parts, and whether or not owned by you or in your care, custody or control.
 - j. Computers and Software (including any injury or damage arising or in any way related to computers and software)
 - k. "Valuable Papers and Records"
 - l. Accounts Receivables
3. Covered Causes of Loss
- Risks Of Direct Physical Loss to Covered Property unless the loss is:
- a. Excluded in Section **B.**, Exclusions; or
 - b. Limited in Paragraph **A.4.**, Limitations; that follow.
4. Limitations
- a. We will not pay for loss of or damage to:
 - (1) Property that is missing, but there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory.
 - (2) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
5. Additional Coverages
- a. Debris Removal
 - (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:
 - (a) The date of direct physical loss or damage; or
 - (b) The end of the policy period.
 - (2) The most we will pay under this Additional Coverage is 25% of:

- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
 - (b) The deductible in this policy applicable that loss or damage.
- (3) This Additional Coverage does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- b. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

 - (1) Assumed by contract or agreement prior to loss; or
 - (2) Required by local ordinance.
- c. Collapse
 - (1) We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building at the described premises or in the open (or in a vehicle) within 100 feet of the described premises, if the collapse is caused by one or more of the following:
 - (a) The "specified causes of loss" or breakage of building glass, all only as insured against in this policy;
 - (b) Hidden decay;
 - (c) Hidden insect or vermin damage;
 - (d) Weight of people or personal property
 - (e) Weight of rain that collects on a roof;
 - (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
 - (2) Collapse does not include settling, cracking, shrinkage, bulging or expansion.
- d. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge,

dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

The most we will pay for each location under this Additional Coverage is \$2,500 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

B. EXCLUSIONS

- 1. All exclusion in this Section B. shall be considered excluded events. We will not pay for loss or damage caused by any excluded event. Loss or damage will be considered to have been caused by an excluded event if the occurrence of that event: directly and solely results in loss or damage; or initiates a sequence of events that results in loss or damage, regardless of the nature of any intermediate or final event in that sequence.

a. Ordinance Or Law

The enforcement of any ordinance of law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This Ordinance Or Law exclusion applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Any earth movement (other than "sinkhole collapse"), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or "explosion",

we will pay for the loss or damage caused by that fire or “explosion”.

- (2) Volcanic eruption, “explosion” or effusion. But if volcanic “explosion” or effusion results in fire, building glass breakage or “volcanic action”, we will pay for the loss or damage caused by that fire, building glass breakage or “volcanic action”.

c. Government Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises

But if failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss

f. War and Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or

their spray, all whether driven by wind or not;

- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if Water, as described in **B.1.g.(1)** through **B.1.g.(4)**, results in fire, “explosion” or sprinkler leakage, we will pay for the loss or damage caused by that fire, “explosion” or sprinkler leakage.

2. We will not pay for loss or damage caused by from any of the following:

- a. Electrical Apparatus: Artificially generated electric current, including electrical arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by fire.

- b. Consequential Losses. Delay loss of use or loss of market.
- c. “Smoke”, Vapor, Gas: “Smoke”, vapor or gas from agricultural smudging or industrial operations.
- d. Steam Apparatus: “Explosion” of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if “explosion” of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion “explosion”, we will pay for the loss or damage caused by that fire or combustion “explosion”. We will also pay for loss or damage caused by or resulting from the “explosion” of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- e. Dishonesty: Dishonest or criminal acts (including theft) committed by:

- (1) You, any of your partners, employees (including temporary employees and

leased workers), officers, directors, trustees, or authorized representatives;

- (2) A manager or a member if you are a limited liability company; or
- (3) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives; or
- (4) Any person to whom you entrust the property for any purpose;

Whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) is not covered.

- f. False Pretense: Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- g. Exposed Property: Rain, snow, ice or sleet to personal property in the open.
- h. Collapse: Collapse, except as provided in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss
- i. Pollution: Except as otherwise provided in Additional Coverages **A.5.d.** Pollutant Clean Up and Removal, we will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".
- j. Other Types of Loss:
 - (1) Wear and tear;

- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force; or
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.
 - (d) But if an excluded cause of loss that is listed in **B.2.j.(1)** through **B.2.j.(7)** results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

- 3. We will not pay for loss or damage caused by or resulting from any of the following :
 - a. Weather Conditions: Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.
 - b. Acts or Decisions. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Negligent Work: Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;

- 4. Extra Expense Exclusions. We will not pay for:

- a. Any Extra Expense caused by or resulting from:

- (1) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
- (2) Suspension, lapse or cancellation of any license, lease or contract.

- b. Any other consequential loss.

C. LIMITS OF INSURANCE

- 1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations
- 2. The limits applicable to Debris Removal, Fire Department Service Charge, and Pollutant Clean Up and Removal, are in addition to the Limits of Insurance

D. DEDUCTIBLES

- 1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
- 2. No deductible applies to the following Additional Coverages:
 - a. Fire Department Service Charge;
 - b. Extra Expense; and
 - c. Personal Effects.

E. PROPERTY LOSS CONDITIONS

- 1. Abandonment
There can be no abandonment of any property to us.
- 2. Appraisal
If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will Select a Competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
 - a. Pay its chosen appraiser; and

- b. Bear the other expenses of the appraisal and umpire equally.

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

5. Loss Payment

In the event of loss or damage covered by this policy:

- a. At our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality.
- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. Except as provided in (2) below, we will determine the value of Covered Property as follows:
 - (1) At full replacement cost, meaning the amount necessary to purchase new property of comparable material and quality without deduction for depreciation, subject to the following:
 - (a) If, at the time of loss, the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the loss, we will pay the cost to repair or replace, after application of the deductible, but not

more than the least of the following amounts:

- i. The Limit of Insurance under this policy that applies to the lost or damaged property;
 - ii. The cost to replace, on the same premises, the lost or damaged property with other property:
 - (i) Of comparable material and quality; and
 - (ii) Used for the same purpose; or
 - iii. The amount that you actually spend that is necessary to repair or replace the lost or damaged property.
- (b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:
- i. The actual cash value of the lost or damaged property;
 - ii. A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repair or replacement.
- (c) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
- (d) We will not pay on a replacement cost basis for any loss or damage:

- i. Until the lost or damaged property is actually repaired or replaced; and
 - ii. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- (2) The following property at actual cash value:
 - (a) Property of others, but this property is not covered for more than the amount for which you are liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others;
- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.
- 6. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses to repair the recovered property, subject to the Limit of Insurance.
- 7. Resumption of "Operations"

We will reduce the amount of your:

Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

- 8. Pair, Sets or Parts
 - a. Pair or Set. In case of a Covered Cause of Loss to any part of a pair or set we may:
 - (1) Repair or replace any part to restore the pair or set to its value before the Covered Cause of Loss; or
 - (2) Pay the difference between the value of the pair or set before and after the Covered Cause of Loss.
 - b. Parts. In case of a Covered Cause of Loss to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

F. PROPERTY GENERAL CONDITIONS

- 1. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

 - a. This policy;
 - b. The Covered Property;
 - c. Your interest in the Covered Property; or
 - d. A claim under this policy.
- 2. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.
- 3. Liberalization

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.
- 4. Other Insurance
 - a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of

Insurance of all insurance covering on the same basis.

- b. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

5. Premiums

- a. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

- b. With our consent, you may continue this policy in force by applying a continuation premium for each successive one-year period. The premium must:

- (1) Paid to us prior to the anniversary date; and
- (2) Determined in accordance with Paragraph **b.** above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

- c. Undeclared exposures or change in your business operation, acquisition or use of locations that are not shown in the Declarations may occur during the policy period. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

6. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing.

- a. Prior to loss to your Covered Property.

- b. After a loss to your Covered property only if at time of loss, that party is one of the following:

- (1) Someone insured by this insurance.
- (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
- (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

7. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this policy at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

8. No Benefit to Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

9. Policy Period, Coverage Territory

Under this form:

- a. We cover loss or damage commencing:
 - (1) During the policy period shown in the Declarations; and
 - (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.
- b. The coverage territory is:
 - (1) The United States of America (including its territories and possessions);
 - (2) Puerto Rico; and
 - (3) Canada.

G. PROPERTY DEFINITIONS

- 1. **"Money"** means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
- 2. **"Operations"** means your business activities occurring at the described premises.
- 3. **"Period of Restoration"** means the period of time that:

- a. Begins immediately after the time of direct physical loss or damage for Extra Expense Coverage caused by or resulting from any Covered Cause of Loss at the described premises; and
- b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.
- c. "Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
 - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".
- 4. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including "smoke", vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 5. **"Securities"** means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".
- 6. **"Specified Causes of Loss"** means the following:

Fire; lightning; "explosion"; "windstorm or hail"; "smoke"; "aircraft or vehicles"; "riot or civil commotion"; "vandalism"; leakage from fire extinguishing equipment; "sinkhole collapse"; "volcanic action"; "falling objects"; weight of snow, ice or sleet; "water damage".

 - a. **"Aircraft or vehicles"** means only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the Covered Property. This cause of loss includes loss or damage by objects falling from aircraft.

Aircraft or vehicle does not mean any aircraft or vehicle owned by you, or operated by you in the course of your business.
 - b. **"Explosion"** includes the explosion of gasses or fuel within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:
 - (1) Rupture, bursting or operation of pressure relief devices; or
 - (2) Rupture or bursting due to expansion or swelling of contents of any building or structure, caused by or resulting from water.
 - c. **"Falling objects"** does not include loss of or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - d. **"Riot or civil commotion"** includes:
 - (1) Acts of striking employees while occupying the described premises; and
 - (2) Looting occurring at the time and place of a riot or civil commotion.
 - e. **"Sinkhole collapse"** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into manmade underground cavities.
 - f. **"Smoke"** means smoke causing sudden and accidental loss or damage. It does not include smoke from agricultural smudging or industrial operations.

- g. **“Vandalism”** means willful and malicious damage to, or destruction of, Covered Property.
 - (1) It includes damage to Covered Property caused by or resulting from breakage of glass by vandals.
 - (2) It does not include loss or damage caused by or resulting from theft.
- h. **“Volcanic action”** means direct loss or damage resulting from the eruption of a volcano when this loss or damage is caused by:
 - (1) Volcanic blast or airborne shock waves; or
 - (2) Ash, dust, or particulate matter.

This coverage form does not provide coverage for damage to: Property in the open or in open sheds; or personal property contained within buildings not completely enclosed.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.
- i. **“Water damage”** means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.
- j. **“Windstorm or Hail”** does not include:
 - (1) Frost or cold weather;
 - (2) Ice (other than hail), snow or sleet, whether driven by wind or not; or
 - (3) Loss or damage to the property inside a building or structure caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.
- 7. **“Temporary storage location”** means a location where property that is to become a permanent part of a completed project is stored while waiting to be delivered to a site:
 - a. That you do not own, lease or operate; and
 - b. Where work is in progress, or will begin in 30 days.
- 8. **“Valuable Papers and Records”**
 - a. “Valuable papers and records” means inscribed, printed, or written:
 - (1) Documents;
 - (2) Manuscripts; and
 - (3) Records; including abstracts, books, deeds, drawings, films, maps, or mortgages.
 - b. “Valuable papers and records” does not mean
 - (1) “Money” or “Securities”;
 - (2) Converted data; or
 - (3) Programs or instructions used in “your” data processing operations, including the materials into which the data is recorded.

WASHINGTON CONTRACTORS CHOICE INLAND MARINE COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION G – PROPERTY DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss or damage to Covered Property described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this policy, means the type of property as described in this section, **A.1**, and not limited in **A.2**, Property Not Covered.

- a. Property at Premises. If a Limit of Insurance is shown in the Declarations, Covered Property includes the following property located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises:

(1) "Valuable Papers and Records"

- (a) Direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This coverage includes the cost to research lost information on "valuable papers and records" for which duplicates do not exist.

(b) This coverage does not apply to:

- i. Property held as samples or for delivery after sale;
- ii. Property in storage away from the premises shown in the Declarations.

- (c) The most we will pay under this coverage for loss or damage to "valuable papers and records" in any one occurrence is \$2,500, unless a higher Limit of insurance for "valuable

papers and records" is shown in the Declarations.

- (d) Section **B**. Exclusions of this policy does not apply to this coverage except for:

- i. Paragraph **B.1.c.**, Governmental Action;
- ii. Paragraph **B.1.d.**, Nuclear Hazard;
- iii. Paragraph **B.1.f.**, War and Military Action; and
- iv. The Accounts Receivable and Valuable Papers and Records Exclusions **B.5**.

(2) Accounts Receivable

(a) We will pay:

- i. All amounts due from your customers that you are unable to collect;
- ii. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- iii. Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- iv. Other reasonable expenses that you incur to reestablish your records of accounts receivable;

That result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

- (b) The most we will pay under this coverage for loss or damage in any

one occurrence at the described premises is \$2,500, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

(c) Section **B**. Exclusions of this policy does not apply to this coverage except for:

- i. Paragraph **B.1.c.**, Governmental Action;
- ii. Paragraph **B.1.d.**, Nuclear Hazard;
- iii. Paragraph **B.1.f.** War and Military Action; and
- iv. The Accounts Receivable and "Valuable Papers and Records" Exclusions **B.5**.

b. Contractors' Installation Coverage

(1) If a Limit of Insurance is shown in the Declarations, Covered Property includes Business Personal property of others sold under an installation agreement where your insurable interest continues until the property is accepted by the purchaser for whom the project is to be performed, including:

- (a) Materials, supplies, equipment, machinery, and fixtures owned by you or in your care, custody or control, and which are to be installed by you or at your direction; and
- (b) Temporary structures built or assembled on site, including cribbing, scaffolding and construction forms.

(2) This property is covered while:

- (a) At any job site you do not own, lease or operate;
- (b) Awaiting and during installation, or awaiting acceptance by the purchaser;
- (c) In transit, or,
- (d) At a "temporary storage location".

(3) Coverage will end when one of the following first occurs:

- (a) This policy expires or is cancelled;
- (b) The property covered is accepted by the purchaser;

(c) Your interest in the property covered ceases;

(d) You abandon the project to be performed by you for the purchaser, with no intention to complete it; or

(e) 90 days after the project to be performed by you for the purchaser is completed, unless we specify a different date in writing.

c. Contractors' Tools and Equipment

(1) If a Limit of Insurance is shown in the Declarations, Covered Property means tools and equipment used in your business, including their:

- (a) Accessories, whether or not attached; and
- (b) Spare parts, that are specifically designed and intended for use in the maintenance and operation of property covered under this section; that you own, or that you do not own but that are in your care, custody or control.

(2) The property covered may be:

- (a) Covered on a blanket basis for tools and equipment you own, that are not:
 - i. Individually described in the Schedule or in the Declarations; and
 - ii. In excess of \$2,500 on any one item;
 - iii. if a blanket Limit of Insurance is shown in the Schedule or in the Declarations; or
- (b) Covered on a scheduled basis for each item of tools and equipment you own that is specifically described in the Schedule or in the Declarations, and for which a Limit of Insurance is shown.

(3) Newly Acquired Tools and Equipment

If, during the policy period, you acquire property of a type that is specifically described in the Schedule or Declarations, you may extend coverage to apply to such property.

(4) The most we will pay for loss or damage under this coverage is the lesser of:

- (a) 25% of the total limit of insurance shown in the Schedule or Declarations for property covered on a scheduled basis, or
 - (b) \$50,000.
- (5) This coverage will end when any of the following first occurs:
- (a) This policy expires or is cancelled;
 - (b) 30 days after the date of acquisition of the newly acquired tools or equipment; or
 - (c) You report values of the newly acquired tools or equipment to us.

We will charge you additional premium based on values reported from the date of purchase.

(6) Non-Owned Tools and Equipment

When a limit of insurance is shown in the Schedule or Declarations, Covered Property includes contractors' tools and equipment leased, rented or borrowed from others that are in your care, custody or control.

The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Non-Owned Tools and Equipment shown in the Schedule or Declarations.

(7) Employees' Tools

When a limit of insurance is shown in the Schedule or Declarations, Covered Property includes your Employees' Tools which are used in connection with your "operations"

The most we will pay for loss or damage in any one occurrence to Employees' Tools is the Limit of Insurance for Employees' Tools shown in the Schedule or Declarations not to exceed:

- (a) \$500 for all tools of any one employee; and
- (b) \$100 per tool.

(8) Rental Cost Reimbursement

When a limit of insurance is shown in the Schedule or Declarations, we will reimburse the insured for the expense of renting substitute equipment when such rental is made necessary:

- (a) Due to direct physical loss or damage to covered contractors' equipment caused by or resulting from any Covered Cause of Loss;
- (b) To continue as nearly as practicable the normal operation on work in progress; and
- (c) When the insured does not have equipment that can be used for continuing or resuming "operations".

The limit of recovery under this extension of coverage shall be 80% of the expense incurred commencing seventy-two (72) hours after the loss or damage has occurred and terminating, regardless of expiration of the policy period, when the covered property has been replaced, restored to service, or is no longer needed, whichever occurs first.

The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Rental Cost Reimbursement shown in the Schedule or Declarations.

d. Computer Coverage

If a Limit of Insurance is shown in the Declarations, Covered Property includes the following types of property that you own that are used in your business; and property of others as defined below, that is in your care, custody or control, but such property is not covered for more than the amount for which you are legally liable:

- (1) Electronic Data Processing Equipment (Hardware) includes:
 - (a) Programmable electronic equipment that is used to store, retrieve and process data; and
 - (b) Associated peripheral equipment that provides communication including input and output functions such as printing, or auxiliary functions such as data transmission;
 - (c) Except as described in (2) below.
- (2) Electronic Media and Records (including Software) includes:

- (a) Electronic data processing, recording or storage media such as software, films, tapes, discs, drums or cells;
- (b) Data stored on such media; and
- (c) Programming records used for electronic data processing or electronically controlled equipment.

(3) We will pay for loss or damage to covered property due to:

- (a) Mechanical Breakdown of Electronic Data processing Equipment if such loss or damage exceeds in any one occurrence the applicable deductible shown in the Declarations.

We will then pay the amount of loss or damage in excess of the deductible up to the applicable Limit of Insurance applying to Electronic Data Processing Equipment at the described premises.

- (b) Artificially Generated Electrical Current if such loss or damage is caused by or results from:

- i. An occurrence that took place within 100 feet of the described premises; or
- ii. Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

If such loss or damage as specified above, exceeds in any one occurrence the applicable deductible shown in the Declarations, we will then pay the amount of loss or damage in excess of the deductible up to the applicable Limit of Insurance for the Equipment

2. Property Not Covered

Covered Property does not include:

- a. Buildings or structures including permanently installed machinery and equipment, all whether or not in the course of construction, reconstruction, renovation, repair or upkeep, except as provided for contractors' installation coverage **A.1.b.**;

- b. Aircraft; dealers' demonstration equipment, machinery and vehicles; dirt bikes, house trailers, mobile homes, mopeds, motorcycles, motorized bicycles, tricycles or four-wheel all-terrain vehicles; snowmobiles, trucks and vehicles primarily designed and licensed for road use;
- c. "Money" or "securities";
- d. Contraband, or property in the course of illegal transportation or trade;
- e. Land (including land on which the property is located), water, growing crops or lawns;
- f. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs, trees, shrubs or plants;
- g. Watercraft (including motors, equipment and accessories).
- h. Contractors' Installation Coverage does not include:
 - (1) An existing building or structure to which an addition, alteration, improvement or repair is being made;
 - (2) Property stored at a permanent warehouse or storage yard that you own;
 - (3) A plan, blue print, design or specification;
 - (4) Trees, grass, sod, shrubbery or plants; and
 - (5) Machinery, tools, equipment, supplies or similar property that do not become a permanent part of the project to be performed by you for the purchaser at the covered job site. This includes tools and equipment belonging to a contractor or subcontractor.
- i. Contractors' Tools and Equipment does not include:
 - (1) Property while in caissons or underwater or while being used in underground mining, tunneling or similar operations;
 - (2) Property you have loaned, rented or leased to others;
 - (3) Property that is or will become a permanent part of any building or structure; Property held for sale;
 - (4) Non-owned tools and equipment;

- (a) leased or rented from any of your employees;
 - (b) Any other non-owned tools you lease from others for a term of six months or more; or
 - (c) Lost or damaged by theft; or
- (5) Employees' tools lost or damaged by theft.
- j. Computer Coverage does not include:
 - (1) Property held for lease, rental or sale or that you lease, rent or sell to others;
 - (2) Electronic data processing equipment which is permanently installed or designed to be permanently installed in any aircraft, watercraft, motor truck or other vehicle subject to motor vehicle registration; or
 - (3) Accounts, bills, evidences of debt and "valuable papers and records". However, such property is Covered Property in its "converted data" form.
- 3. Covered Causes of Loss

Risks Of Direct Physical Loss to Covered Property unless the loss is:

 - a. Excluded in Section **B.**, Exclusions; or
 - b. Limited in Paragraph **A.4.**, Limitations; that follow.
- 4. Limitations
 - a. We will not pay for loss of or damage to:
 - (1) Property that is missing, but there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory.
 - (2) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - b. We will not pay for loss of or damage to materials, supplies, equipment, machinery and fixtures:
 - (1) Owned by you; or
 - (2) In your care, custody or control; intended for installation;
 - (1) By you; or
 - (2) At your direction;

caused by or resulting from theft. In addition, we will not pay for any loss that is a

consequence of loss or damage to such property.

However, this limitation does not apply to:

- (1) Covered Property under Paragraph **A.1.b.**, Contractors' Installation Coverage;

5. Additional Coverages

a. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (a) The date of direct physical loss or damage; or
- (b) The end of the policy period.

- (2) The most we will pay under this Additional Coverage is 25% of:

- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
- (b) The deductible in this policy applicable that loss or damage.

- (3) This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

b. Fire Department Service Charge

When the fire department is called to save or protect Covered Property under Section **A.1.b.**, Contractors' Installation Coverage, from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

c. Collapse

- (1) We will pay for direct physical loss or damage to Covered Property under Sections **A.1.(a)(1)**, "Valuable Papers and Records" and **A.1.(a)(2)**, Accounts Receivable, caused by collapse of a building or any part of a building at the

described premises or in the open (or in a vehicle) within 100 feet of the described premises, if the collapse is caused by one or more of the following:

- (a) The "specified causes of loss" or breakage of building glass, all only as insured against in this policy;
- (b) Hidden decay;
- (c) Hidden insect or vermin damage;
- (d) Weight of people or personal property
- (e) Weight of rain that collects on a roof;
- (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- (2) Collapse does not include settling, cracking, shrinkage, bulging or expansion.

c. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss under Section **A.1.b.**, Contractors' Installation Coverage, that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

The most we will pay for each location under this Additional Coverage is \$2,500 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

B. EXCLUSIONS

- 1. All exclusion in this Section **B** shall be considered excluded events. We will not pay for loss or damage caused by any excluded event. Loss or damage will be considered to have been caused by an excluded event if the occurrence of that event: directly and solely results in loss or damage; or initiates a sequence of events that results in loss or damage, regardless of the

nature of any intermediate or final event in that sequence.

a. Ordinance Or Law

The enforcement of any ordinance of law under Section **A.1.b.**, Contractors' Installation Coverage:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This Ordinance Or Law exclusion applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Any earth movement (other than "sinkhole collapse"), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or "explosion", we will pay for the loss or damage caused by that fire or "explosion".
- (2) Volcanic eruption, "explosion" or effusion. But if volcanic "explosion" or effusion results in fire, building glass breakage or "volcanic action", we will pay for the loss or damage caused by that fire, building glass breakage or "volcanic action".

c. Government Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we

will pay for the loss or damage caused by that fire.

e. War and Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

f. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if Water, as described in **B.1.g.(1)** through **B.1.g.(4)**, results in fire, "explosion" or sprinkler leakage, we will pay for the loss or damage caused by that fire, "explosion" or sprinkler leakage.

2. We will not pay for loss or damage caused by any of the following:

- a. Electrical Apparatus: Artificially generated electric current, including electrical arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by fire.

- b. Consequential Losses. Delay loss of use or loss of market.
- c. "Smoke", Vapor, Gas: "Smoke", vapor or gas from agricultural smudging or industrial operations.

This exclusion does not apply to covered property in paragraph **A.1.d.** Computer Coverage.

d. Dishonesty: Dishonest or criminal acts (including theft) committed by:

- (1) You, any of your partners, employees (including temporary employees and leased workers), officers, directors, trustees, or authorized representatives;
- (2) A manager or a member if you are a limited liability company; or
- (3) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives; or
- (4) Any person to whom you entrust the property for any purpose;

Whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) is not covered.

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

e. False Pretense: Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

f. Exposed Property: Rain, snow, ice or sleet to personal property in the open except Contractors' Tools and Equipment.

g. Collapse: Collapse, except as provided in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss

h. Pollution: Except as otherwise provided in Additional Coverages **A.5.c.** Pollutant Clean Up and Removal, we will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration,

release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

i. Other Types of Loss:

- (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force; or
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.
 - (d) But if an excluded cause of loss that is listed in **B.2.j.(1)** through **B.2.j.(7)** results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".
- (8) The following causes of loss to property covered under Section **A.1.b**, Contractors' Installation Coverage:
 - (a) Fungi, Wet Rot And Dry Rot
 - (i) Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot. But if "fungi", or wet or dry rot results in any of the "specified causes of loss", we will pay for the loss or damage caused by that Covered Cause of Loss.
 - (ii) This exclusion does not apply:

(A) When "fungi", or wet or dry rot results from fire or lightning; or

(B) To the extent that coverage is provided in the endorsement, if any, Additional Coverage – Limited Coverage For "Fungi", Wet Rot And Dry Rot with respect to loss or damage by a cause of loss other than fire or lightning.

(b) Virus, Bacterium Or Other Microorganism

(i) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. However, this exclusion does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in the previous exclusion.

(ii) The terms of this exclusion, or the inapplicability of this exclusion to a particular loss, does not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.

(iii) This exclusion applies to all coverage under all forms and endorsements that comprise this Coverage Part.

3. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Weather Conditions: Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.
- b. Acts or Decisions. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Negligent Work: Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;

- (2) Design, specifications, workmanship, repair, construction, renovation remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
of part or all of any property on or off the described premises.
4. Accounts Receivable and "Valuable Papers and Records" Exclusions
- In addition to the exclusions shown in paragraphs **B.1.** through **B.3.**, the following exclusions apply to the Accounts Receivable and "Valuable Papers and Records" Coverage Extension:
- a. We will not pay for loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or result; from:
 - (1) Programming errors or faulty machine instructions;
 - (2) Faulty installation or maintenance of data processing equipment or component parts;
 - (3) Virus, harmful code or similar instruction introduced into or enacted on Electronic Data Processing Equipment or Electronic Media and Records.

But we will pay for direct loss or damage caused by lightning.
 - b. Applicable to "Valuable Papers and Records" only:
We will not pay for loss or damage caused by or resulting from errors or omissions in processing or copying. But we will pay for direct loss or damage caused by resulting fire or "explosion".
 - c. Applicable to Accounts Receivable only:
We will not pay for:
 - (1) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.
This exclusion applies only to the extent of the wrongful giving, taking or withholding.
- (2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
 - (3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.
5. Contractors' Installation Exclusions
- We will not pay for loss or damage caused by or resulting from any of the following:
- a. The cost to make good or replace faulty or defective materials or workmanship;
 - b. Testing. However, if testing results in fire or "explosion", we will pay for the loss or damage caused by that fire or "explosion";
 - c. A Fault, defect, deficiency, error or omission in a plan, blueprint, design or specification.
6. Contractors' Tools and Equipment Exclusions
- We will not pay for loss or damage caused by or resulting from any of the following.
- a. Your neglect to use all reasonable means to save and preserve Covered Property from impending loss or damage during and after the occurrence of a loss.
 - b. Theft of property from any unattended vehicle unless, at the time of the theft, the vehicle's windows, doors and compartments were closed and locked, and there are visible signs that the theft was a result of forced entry.
 - c. This exclusion does not apply to:
 - (1) Covered Property in the custody of a carrier for hire.
 - (2) Covered Property while at any job site you do not own, lease or operate.
7. Contractors' Installation and Contractors' Tools and Equipment Exclusions
- We will not pay for loss or damage caused by or resulting from any of the following.
- a. The weight of a load, when it exceeds the designed capacity of any Covered Property to lift, move or support the load from any position;
 - b. Collision, upset or overturn of any Covered Property to the extent of any loss of or damage to the tires and tubes of such property. But we will pay for the loss of or damage to the tires or inner tubes if the same

accident causes other covered loss to the same Covered Property.

8. Computer Exclusions

- a. The following exclusions do not apply to coverage provided for **A.1.d. Computer Coverage**:

B.1.e. Power Failure, B.2.a. Electrical Apparatus, B.2.c. "Smoke", Vapor, Gas, B.2.d. Steam Apparatus, B.2.h. Collapse, B.2.j.(3), (4) and (5) Other types of Loss exclusions and B.3.b. Acts or Decisions.

- b. Exclusion **B.2.J.(7)** is replaced by the following

- (1) Dampness or dryness of atmosphere, or changes in or extremes of temperature, unless such conditions result from physical damage caused by a covered cause of loss to an air conditioning unit or system, including equipment and parts, which is part of, or used with the electronic data processing equipment.

- (2) Marring or scratching.

But if an excluded cause of loss that is listed in **B.2.j.(1), (2), (6) or (7)** results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

- c. The following additional exclusions apply to Covered Property **A.1.d. Computer Coverage**:

- (1) Human errors or omissions in processing, recording or storing information on electronic media and records and electronic data processing equipment.

But we will pay for direct loss or damage caused by resulting fire or "explosion" if these causes of loss would be covered under Computer Coverage **A.1.d.**;

- (2) Electrical or magnetic injury, disturbance or erasure of electronic recordings, except as provided for under Computer Coverage **A.1.d.**

But we will pay for direct loss or damage caused by lightning;

- (3) Failure, breakdown or malfunction of electronic media and records and electronic data processing equipment, including parts, while the media is being run through the equipment.

But, we will pay for direct loss or damage caused by resulting fire or "explosion" if these causes of loss are covered under Computer Coverage **A.1.d.**; and

- (4) Installation, testing, repair or other similar service performed upon the electronic data processing media and records or electronic data processing equipment, including parts.
- (5) Virus, harmful code or similar instruction introduced into or enacted on Electronic Data Processing Equipment (or Electronic Media and Records) or a network to which it is connected, designed to damage or destroy any part of the network or disrupt its normal operation.
- (6) Theft of property from any unattended vehicle unless, at the time of the theft, the vehicle's windows, doors and compartments were closed and locked, and there are visible signs that the theft was a result of forced entry.

C. LIMITS OF INSURANCE

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations
2. The limits applicable to Debris Removal, Fire Department Service Charge, and Pollutant Clean Up and Removal, are in addition to the Limits of Insurance
3. Limits of Insurance applicable to Contractor's Installation are:
 - a. The most we will pay for loss or damage in any one occurrence to Covered Property at each covered job site is the limit of insurance for property at each covered job site shown in the Declarations.
 - b. The most we will pay for loss or damage in any one occurrence to Covered Property at all covered job sites combined is three times the limit of insurance shown in the Declarations for property at each covered job site.

D. DEDUCTIBLES

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss

or damage in excess of the Deductible up to the applicable Limit of Insurance.

2. No deductible applies to the Fire Department Service Charge Additional Coverage.

E. PROPERTY LOSS CONDITIONS

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will Select a Competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

5. Loss Payment

In the event of loss or damage covered by this policy:

- a. At our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality.

- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. We will determine the value of Covered Property as follows:

(1) The following property at actual cash value:

- (a) Contractors' Tools and equipment;
- (b) Property of others, but this property is not covered for more than the amount for which you are liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others;

(2) "Valuable Papers and Records", including those which exist on electronic or magnetic media (other than prepackaged software programs) at the cost of:

- (a) Blank materials for reproducing the records; and
- (b) Labor to transcribe or copy the records.

This condition does not apply to "valuable papers and records" and electronic media records that are actually replaced or restored.

(3) Applicable only to Accounts Receivable.

(a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:

- i. We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
- ii. We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

(b) The following will be deducted from the total amount of accounts

receivable, however that amount is established:

- i. The amount of the accounts for which there is no loss or damage;
- ii. The amount of the accounts that you are able to reestablish or collect;
- iii. An amount to allow for probable bad debts that you are normally unable to collect; and
- iv. All unearned interest and service charges.

(4) Applicable only to Computer coverage:

(a) The value of Electronic Data Processing Equipment will be:

- i. The cost of replacing the equipment with new property functionally equivalent to the damaged equipment if replaced; or
- ii. Actual cash value if the property is not repaired or replaced.

In the event of partial damage to an item of equipment, we will not pay more than the cost of reasonably restoring the property to its condition immediately prior to the loss.

(b) The value of data will be the actual cost to reproduce. If the data is not replaced or reproduced, we will pay the cost of the value of the media with no stored data.

(c) The value of media will be the cost to repair or replace the media with substantially equivalent property.

- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and

- (1) We have reached agreement with you on the amount of loss; or
- (2) An appraisal award has been made.

6. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses to repair the recovered property, subject to the Limit of Insurance.

F. PROPERTY GENERAL CONDITIONS

1. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This policy;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this policy.

2. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

3. Liberalization

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

4. Other Insurance

- a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

- b. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

5. Premiums

- a. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

- b. With our consent, you may continue this policy in force by applying a continuation premium for each successive one-year period. The premium must:

- (1) Paid to us prior to the anniversary date; and
- (2) Determined in accordance with Paragraph **b.** above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

- c. Undeclared exposures or change in your business operation, acquisition or use of locations that are not shown in the Declarations may occur during the policy period. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

6. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing.

- a. Prior to loss to your Covered Property.
- b. After a loss to your Covered property only if at time of loss, that party is one of the following:

- (1) Someone insured by this insurance.
- (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
- (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

7. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this policy at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

8. No Benefit to Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

9. Policy Period, Coverage Territory

Under this form:

- a. We cover loss or damage commencing:
 - (1) During the policy period shown in the Declarations; and
 - (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.
- b. The coverage territory is:
 - (1) The United States of America (including its territories and possessions);
 - (2) Puerto Rico; and
 - (3) Canada.

G. PROPERTY DEFINITIONS

- 1. **"Converted data"** means information that is stored on electronic media, that is capable of being communicated, processed or interpreted by electronic data processing equipment.
- 2. **"Fungi"** means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 3. **"Money"** means:
 - a. Currency, coins and bank notes in current use and having a face value; and

- b. Travelers checks, register checks and money orders held for sale to the public.

4. **"Operations"** means your business activities occurring at the described premises.

5. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including "smoke", vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

6. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

7. **"Specified Causes of Loss"** means the following:

Fire; lightning; "explosion"; "windstorm or hail"; "smoke"; "aircraft or vehicles"; "riot or civil commotion"; "vandalism"; leakage from fire extinguishing equipment; "sinkhole collapse"; "volcanic action"; "falling objects"; weight of snow, ice or sleet; "water damage".

a. **"Aircraft or vehicles"** means only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the Covered Property. This cause of loss includes loss or damage by objects falling from aircraft.

Aircraft or vehicle does not mean any aircraft or vehicle owned by you, or operated by you in the course of your business.

b. **"Explosion"** includes the explosion of gasses or fuel within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:

- (1) Rupture, bursting or operation of pressure relief devices; or
- (2) Rupture or bursting due to expansion or swelling of contents of any building or structure, caused by or resulting from water.

- c. **“Falling objects”** does not include loss of or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- d. **“Riot or civil commotion”** includes:
 - (1) Acts of striking employees while occupying the described premises; and
 - (2) Looting occurring at the time and place of a riot or civil commotion.
- e. **“Sinkhole collapse”** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
- f. **“Smoke”** means smoke causing sudden and accidental loss or damage. It does not include smoke from agricultural smudging or industrial operations.
- g. **“Vandalism”** means willful and malicious damage to, or destruction of, Covered Property.
 - (1) It includes damage to Covered Property caused by or resulting from breakage of glass by vandals.
 - (2) It does not include loss or damage caused by or resulting from theft.
- h. **“Volcanic action”** means direct loss or damage resulting from the eruption of a volcano when this loss or damage is caused by:
 - (1) Volcanic blast or airborne shock waves; or
 - (2) Ash, dust, or particulate matter.

This coverage form does not provide coverage for damage to: Property in the open or in open sheds; or personal property contained within buildings not completely enclosed.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

- i. **“Water damage”** means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.
 - j. **“Windstorm or Hail”** does not include:
 - (1) Frost or cold weather;
 - (2) Ice (other than hail), snow or sleet, whether driven by wind or not; or
 - (3) Loss or damage to the property inside a building or structure caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.
8. **“Temporary storage location”** means a location where property that is to become a permanent part of a completed project is stored while waiting to be delivered to a site:
- a. That you do not own, lease or operate; and
 - b. Where work is in progress, or will begin in 30 days.
9. **“Valuable Papers and Records”**
- a. “Valuable papers and records” means inscribed, printed, or written:
 - (1) Documents;
 - (2) Manuscripts; and
 - (3) Records;

including abstracts, books, deeds, drawings, films, maps, or mortgages.
 - b. “Valuable papers and records” does not mean
 - (1) “Money” or “Securities”;
 - (2) Converted data; or
 - (3) Programs or instructions used in “your” data processing operations, including the materials into which the data is recorded.

EXHIBIT B



BUILDERS INSURANCE SERVICES

THE BUILDER'S EDGE™

Dear BIS Policyholder:

Welcome to Builders Insurance Services (BIS). We appreciate having you as a policyholder.

BIS is an underwriting manager for property and casualty insurance, specializing in General Liability and Inland Marine coverages for contractors. BIS is affiliated with The Insko Dico Group, offering insurance products through Developers Surety and Indemnity Company (DSI). We have many years of experience focusing on the special needs of contractors.

Attached you will find a copy of your insurance policy that you will want to review carefully. We value your business and the trust that you, working closely with your Insurance Producer, have placed with us for insurance coverage and the needs you may have from us in the future.

We will be contacting you soon for an important required review of your business operation to make sure we have accurately captured your operating exposures. This phone call will take approximately 15 minutes.

Thank you for choosing BIS.

Sincerely,

Steve Gaines, BIS President

POLICY NUMBER BIS00020556-02

COMMERCIAL GENERAL LIABILITY

IL DS 00 09 07

COMMON POLICY DECLARATIONS

| | |
|---|--|
| Developers Surety and Indemnity Company P.O. Box 19725 Irvine, CA 92623 | BCIB/Best Contractors Insurance & Bonds 733 7th Avenue, Suite 112 Kirkland, WA 98033 Phone Number: 425-828-6824 |
| NAMED INSURED: | <u>Modern Shelter LLC</u> |
| DBA: | <u></u> |
| MAILING ADDRESS: | <u>906 19TH AVE E</u> <u>SEATTLE, Washington 98112</u> |
| POLICY PERIOD: | FROM <u>11/29/2015</u> TO <u>11/29/2016</u> AT 12:01 A.M. TIME AT YOUR MAILING ADDRESS SHOWN ABOVE. |

| | |
|-----------------------|------------|
| BUSINESS DESCRIPTION: | <u>LLC</u> |
|-----------------------|------------|


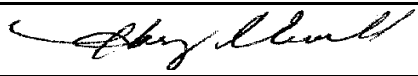
**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY,
WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

**THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED
THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.**

| | PREMIUM |
|--|----------------------|
| CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART | \$ NOT COVERED |
| COMMERCIAL AUTOMOBILE COVERAGE PART | \$ NOT COVERED |
| COMMERCIAL GENERAL LIABILITY COVERAGE PART | \$ [REDACTED] |
| COMMERCIAL INLAND MARINE COVERAGE PART | \$ [REDACTED] |
| COMMERCIAL LIABILITY UMBRELLA | \$ NOT COVERED |
| COMMERCIAL PROPERTY COVERAGE PART | \$ NOT COVERED |
| CRIME AND FIDELITY COVERAGE PART | \$ NOT COVERED |
| EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART | \$ NOT COVERED |
| EQUIPMENT BREAKDOWN COVERAGE PART | \$ NOT COVERED |
| FARM COVERAGE PART | \$ NOT COVERED |
| LIQUOR LIABILITY COVERAGE PART | \$ NOT COVERED |
| POLLUTION LIABILITY COVERAGE PART | \$ NOT COVERED |
| PROFESSIONAL LIABILITY COVERAGE PART | \$ NOT COVERED |
| TERRORISM COVERAGE | \$ 0.00 |
| TOTAL: | \$ [REDACTED] |

FORMS APPLICABLE TO ALL COVERAGE PARTS (SHOW NUMBERS):

**See Form ID DS 02
Listing of Forms and Endorsements Forming a Part of This Policy**

| | |
|--|---|
| Countersigned: _____ 11/29/2015 (Date) | By:  (Authorized Representative) |
| Countersigned: _____ 11/29/2015 (Date) | By:  (Authorized Representative) |

POLICY NUMBER BIS00020556-02

LIST OF FORMS AND ENDORSEMENTS

ID DS 02 08 07

**LISTING OF FORMS AND ENDORSEMENTS FORMING
A PART OF THIS POLICY**

This listing forms a part of the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

| | <u>FORM NUMBER</u> | <u>TITLE</u> |
|---------------------------------------|--------------------|--|
| Policy Forms | | |
| Common Policy Forms | IL DS 00 09 07 | Common Policy Declarations |
| | ID DS 02 08 07 | List of Forms and Endorsements |
| General Liability Policy Forms | | |
| Declarations and Schedules | CG DS 01 10 01 | Commercial General Liability Declarations |
| | ID DS 03 08 07 | General Liability Schedule |
| ISO Forms | IL 00 03 09 08 | Calculation of Premium |
| | IL 01 23 11 13 | Washington Changes - Defense Costs |
| | IL 01 46 08 10 | Washington Common Policy Conditions |
| | IL 01 98 09 08 | Nuclear Energy Liability Exclusion Endorsement |
| | IL 09 85 01 15 | Disclosure Pursuant to Terrorism Risk Insurance Act |
| | IL N 142 06 06 | WA Fraud Statement |
| | CG 00 01 04 13 | Commercial General Liability Coverage Form |
| | CG 00 68 05 09 | Recording And Distribution Of Material Or Information In Violation Of Law Exclusion |
| | CG 01 81 05 08 | Washington Changes |
| | CG 01 97 12 07 | Washington Changes - Employment-Related Practices Exclusion |
| | CG 03 00 01 96 | Deductible Liability Insurance |
| | CG 04 42 11 03 | Stop Gap - Employers Liability Coverage Endorsement - Washington |
| | CG 04 50 05 08 | Washington Changes - Who is an Insured |
| | CG 21 00 07 98 | Exclusion - All Hazards in Connection with Designated Premises Rental Property |
| | CG 21 01 11 85 | Exclusion - Athletic or Sports Participants |
| | CG 21 46 07 98 | Abuse or Molestation Exclusion |
| | CG 21 49 09 99 | Total Pollution Exclusion Endorsement |
| | CG 21 54 01 96 | Exclusion - Designated Operations Covered by a Consolidated (Wrap-Up) Insurance Program |
| | CG 21 70 01 15 | Cap On Losses From Certified Acts of Terrorism |
| | CG 21 76 01 15 | Exclusion of Punitive Damages Related to a Certified Act of Terrorism |
| | CG 21 84 01 15 | Exclusion of Certified Nuclear, Biological, Chemical or Radiological Acts Of Terrorism; Cap On Losses From Certified Act |
| | CG 21 86 12 04 | Exclusion - Exterior Insulation and Finish System |
| | CG 21 88 01 15 | Conditional Exclusion Of Terrorism Involving Nuclear, Biological Or Chemical Terrorism (Relating To Disposition Of Feder |
| | CG 22 33 04 13 | Exclusion - Testing or Consulting Errors and Omissions |
| | CG 22 34 04 13 | Exclusion - Construction Management Errors and Omissions |
| | CG 22 60 12 07 | Limitation of Coverage - Real Estate Operations |
| | CG 22 79 04 13 | Exclusion - Contractors - Professional Liability |
| | CG 23 01 04 13 | Exclusion - Real Estate Agents or Brokers Errors and Omissions |
| | CG 24 13 04 13 | Amendment of Personal and Advertising Injury Definition |
| | CG 24 26 04 13 | Amendment of Insured Contract Definition |
| | CG 26 77 12 04 | Washington - Fungi or Bacteria Exclusion |
| ID Forms | ID 00 02 09 12 | Amendment of Insuring Agreement - Coverage Trigger |
| | ID 00 03 07 07 | Requirement of Allocation Between Covered and Uncovered Damages |
| | ID 00 04 07 07WA | General Endorsements |
| | ID 00 06 01 14 | Additional Conditions Endorsement |
| | ID 00 07 07 07 | Exclusion - Earth Movement |
| | ID 00 08 01 14WA | Washington - Exclusion - Various Excluded Materials |
| | ID 00 09 07 07 | Multiple Causes of Loss |
| | ID 00 14 08 08 | Amendment - Exclusion I. Damage to Your Work |

ID DS 02 08 07

Page 1 of 2

POLICY NUMBER BIS00020556-02

LIST OF FORMS AND ENDORSEMENTS

ID DS 02 08 07

**LISTING OF FORMS AND ENDORSEMENTS FORMING
A PART OF THIS POLICY**

This listing forms a part of the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

| | <u>FORM NUMBER</u> | <u>TITLE</u> |
|-----------------------------------|---------------------------|--|
| | ID 00 18 07 07 | Exclusion - Global Climate Change |
| | ID 00 24 08 08 | Amendment to Section III - Limits of Insurance |
| | ID 00 25 04 13 | Changes in Commercial General Liability Policy |
| | ID 00 27 08 09 | State Specific Endorsements |
| | ID 00 28 08 09 | Exclusion - Non-Compliance With Building Codes |
| | ID 00 29 08 09 | Coverage Territory Amendment |
| | ID 00 30 11 08 | Minimum Earned Premium |
| | ID 00 33 08 09 | Exclusion Of Construction Management And Consulting |
| | ID 00 37 04 13 | Blanket Additional Insured |
| | ID 00 42 07 11 | Exclusion – Green Building |
| | ID 00 43 01 11 | Takeover of Unfinished Work |
| | ID 00 44 07 11 | Automatic Termination |
| | ID 00 45 09 12 | Exclusion - Weather-Related Water Damage or Injury During Work in Progress |
| | ID 00 46 01 15 | Limitation - Residential Housing |
| | ID 00 47 01 14 | Insuring Agreement – Use of Extrinsic Evidence – Duty To Defend or Indemnify |
| | ID 00 49 01 14 | Premium Audit |
| | ID 00 50 01 14 | Underground Utility Location |
| | ID 00 51 01 15 | Exclusion - Playground or Sports Equipment |
| | ID 00 52 01 15 | Exclusion - Swimming Pool Construction or Maintenance |
| | ID 01 48 01 14 | Exclusion – Injury to Employees |
| Inland Marine Policy Forms | | |
| Declarations and Schedules | ID MD 01 04 12 | Contractors Choice Inland Marine Declarations |
| ISO Forms | IL 00 03 09 08 | Calculation of Premium |
| | IL 01 46 09 07 | Washington Common Policy Conditions |
| | IL 09 85 01 08 | Disclosure Pursuant to Terrorism Risk Insurance Act |
| ID Forms | ID CP 00 04 12 | Washington Contractors Choice Personal Property Coverage Form |
| | ID IM 00 04 12 | Washington Contractors Choice Inland Marine Coverage Form |

POLICY NUMBER BIS00020556-02

COMMERCIAL GENERAL LIABILITY
CG DS 01 10 01**COMMERCIAL GENERAL LIABILITY DECLARATIONS**

| | |
|---|--|
| Developers Surety and Indemnity Company P.O. Box 19725 Irvine, CA 92623 | BCIB/Best Contractors Insurance & Bonds 733 7th Avenue, Suite 112 Kirkland, WA 98033 Phone Number: 425-828-6824 |
| NAMED INSURED: <u>Modern Shelter LLC</u> | |
| DBA: _____ | |
| MAILING ADDRESS: <u>906 19TH AVE E</u> <u>SEATTLE, Washington 98112</u> | |
| POLICY PERIOD: FROM <u>11/29/2015</u> TO <u>11/29/2016</u> AT 12:01 A.M. TIME AT YOUR MAILING ADDRESS SHOWN ABOVE. | |

| | |
|-----------------------|------------|
| BUSINESS DESCRIPTION: | <u>LLC</u> |
|-----------------------|------------|

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY,
WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

| LIMITS OF INSURANCE | | |
|---|---------------------|-------------------------------|
| EACH OCCURRENCE LIMIT | \$ <u>1,000,000</u> | |
| DAMAGE TO PREMISES RENTED TO YOU LIMIT | \$ <u>100,000</u> | Any one premises |
| MEDICAL EXPENSE LIMIT | \$ <u>5,000</u> | Any one person |
| PERSONAL & ADVERTISING INJURY LIMIT | \$ <u>1,000,000</u> | Any on person or organization |
| GENERAL AGGREGATE LIMITS | | \$ <u>2,000,000</u> |
| PRODUCTS/COMPLETED OPERATIONS LIMIT | | \$ <u>2,000,000</u> |

| RETROACTIVE DATE (CG 00 02 ONLY) | |
|---|--|
| THIS INSURANCE DOES NOT APPLY TO "BODILY INJURY", "PROPERTY DAMAGE" OR "PERSONAL AND ADVERTISING INJURY" WHICH OCCURS BEFORE THE RETROACTIVE DATE, IF ANY, SHOWN BELOW. | |
| RETROACTIVE DATE: | <u>NONE</u> (ENTER DATE OR "NONE" IF NO RETROACTIVE DATE APPLIES) |

| DESCRIPTION OF BUSINESS | |
|---|--|
| FORM OF BUSINESS: | |
| <input type="checkbox"/> INDIVIDUAL | <input type="checkbox"/> PARTNERSHIP |
| <input checked="" type="checkbox"/> LIMITED LIABILITY COMPANY | <input type="checkbox"/> JOINT VENTURE |
| | <input type="checkbox"/> TRUST |
| ORGANIZATION, INCLUDING A CORPORATION (BUT NOT INCLUDING A PARTNERSHIP, JOINT VENTURE OR LIMITED LIABILITY COMPANY) | |
| BUSINESS DESCRIPTION: | <u>LLC</u> |

| ALL PREMISES YOU OWN, RENT OR OCCUPY | | | | | | | |
|--------------------------------------|--|---|--|--|--|--|--|
| LOCATION NUMBER | | ADDRESS OF ALL PREMISES YOU OWN, RENT OR OCCUPY | | | | | |
| | | | | | | | |

| CLASSIFICATION AND PREMIUM | | | | | | | |
|----------------------------|---|----------|-----------------|-------------|------------------|-----------------|-------------------|
| LOC NO. | CLASSIFICATION | CODE NO. | Premium Base | RATE | | ADVANCE PREMIUM | |
| | | | | Prem/ Ops | Products CompOps | Prem/ Ops | Products Comp Ops |
| WA | General Liability | 91340n | Payroll Subctr. | Various | | \$ | \$ |
| | Water Damage Sublimit | | | \$1,000,000 | | \$ | \$ |
| | Terrorism Coverage | | | No | | \$ | \$ |
| | Insko Dico Contractors License Bond | | | | | \$ | \$ |
| | Stop Gap Liability - Washington Only | | | | | \$ | \$ |
| | Property Damage Deductible Per Occurrence | | | \$1,000 | | | |


| | | | |
|---------------------------|---|-----|--|
| PREMIUM SHOWN IS PAYABLE: | STATE TAX OR OTHER (if applicable) | \$ | |
| | TOTAL PREMIUM (SUBJECT TO AUDIT) | \$1 | |
| | AT INCEPTION | \$ | |
| | AT EACH ANNIVERSARY | | |
| | (IF POLICY PERIOD IS MORE THAN ONE YEAR AND PREMIUM IS PAID IN ANNUAL INSTALLMENTS) | | |

| | | | | |
|------------------------------|---|--|------------------------------------|----------------------------------|
| AUDIT PERIOD (IF APPLICABLE) | <input checked="" type="checkbox"/> ANNUALLY ANNUALLY | <input type="checkbox"/> SEMI ANNUALLY | <input type="checkbox"/> QUARTERLY | <input type="checkbox"/> MONTHLY |
|------------------------------|---|--|------------------------------------|----------------------------------|

| ENDORSEMENTS |
|--|
| ENDORSEMENTS ATTACHED TO THIS POLICY |
| See Form ID DS 02 Listing of Forms and Endorsements Forming a Part of This Policy |

| | |
|-------------------|--|
| Warranty ID | |
| Specifications ID | |

THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORMS AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY

| | |
|---|--|
| Countersigned: _____ 11/29/2015 (Date) | By:  (Authorized Representative) |
|---|--|

Classification and Premium Extension

| CLASSIFICATION AND PREMIUM | | | | | | | |
|-----------------------------------|---|----------|-----------------|--------------------|------------------|-----------------|-------------------|
| LOC NO. | CLASSIFICATION | CODE NO. | Premium Base | RATE | | ADVANCE PREMIUM | |
| | | | | Prem/Ops | Products CompOps | Prem/Ops | Products Comp Ops |
| WA | General Liability | 91340n | Payroll Subctr. | Various Various | | \$ [REDACTED] | \$ [REDACTED] |
| | Water Damage Sublimit | | | \$1,000,000 | | | \$ [REDACTED] |
| | Terrorism Coverage | | | | | | \$ [REDACTED] |
| | Insco Dico Contractors License Bond | | | No | | | \$ [REDACTED] |
| | Stop Gap Liability - Washington Only | | | | | | \$ [REDACTED] |
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| | Property Damage Deductible Per Occurrence | | | \$1,000 | | | |
| TOTAL PREMIUM | | | | | | | \$ [REDACTED] |

Page 1 of 1

IL 00 03 09 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

IL 01 23 11 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON CHANGES – DEFENSE COSTS

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART – LEGAL LIABILITY COVERAGE FORM
 COMMERCIAL PROPERTY COVERAGE PART – MORTGAGEHOLDER'S ERRORS AND OMISSIONS COVERAGE FORM
 ELECTRONIC DATA LIABILITY COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCT WITHDRAWAL COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART
 UNDERGROUND STORAGE TANK COVERAGE PART

A. The provisions of Paragraph **B.** are added to all Insuring Agreements that set forth a duty to defend under:

1. Section **I** of the Commercial General Liability, Commercial Liability Umbrella, Electronic Data Liability, Farm, Liquor Liability, Owners And Contractors Protective Liability, Pollution Liability, Products/Completed Operations Liability, Product Withdrawal, Medical Professional Liability, Railroad Protective Liability and Underground Storage Tank Coverage Parts, Auto Dealers Coverage Form and the Farm Umbrella Liability Policy;
2. Section **II** under the Auto Dealers, Business Auto and Motor Carrier Coverage Forms;
3. Section **III** under the Auto Dealers and Motor Carrier Coverage Forms;
4. Section **A.** Coverage under the Legal Liability Coverage Form; and

5. Coverage **C** – Mortgageholder's Liability under the Mortgageholder's Errors And Omissions Coverage Form.

Paragraph **B.** also applies to any other provision in the policy that sets forth a duty to defend.

- B.** If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that none of the claims ("claims"), for which we provided a defense or defense costs, are covered under this insurance, we have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement under this provision will only apply to the costs we have incurred after we notify you in writing that there may not be coverage and that we are reserving our rights to terminate the defense or the payment of defense costs and to seek reimbursement for defense costs.

WASHINGTON COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

The conditions in this endorsement replace any similar conditions in the policy that are less favorable to the insured.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by notifying us or the insurance producer in one of the following ways:

- a. Written notice by mail, fax or e-mail;
- b. Surrender of the policy or binder; or
- c. Verbal notice.

Upon receipt of such notice, we will cancel this policy or any binder issued as evidence of coverage, effective on the later of the following:

- a. The date on which notice is received or the policy or binder is surrendered; or
- b. The date of cancellation requested by the first Named Insured.

2. We may cancel this policy by mailing or delivering to the first Named Insured and the first Named Insured's agent or broker written notice of cancellation, including the actual reason for the cancellation, to the last mailing address known to us, at least:

- a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. 45 days before the effective date of cancellation if we cancel for any other reason;

except as provided in Paragraphs 3. and 4. below.

3. We may cancel the Commercial Property Coverage Part and the Capital Assets Program (Output Policy) Coverage Part, if made a part of this policy, by mailing or delivering to the first Named Insured and the first Named Insured's agent or broker written notice of cancellation at least five days before the effective date of cancellation for any structure where two or more of the following conditions exist:

- a. Without reasonable explanation, the structure is unoccupied for more than 60 consecutive days, or at least 65% of the rental units are unoccupied for more than 120 consecutive days, unless the structure is maintained for seasonal occupancy or is under construction or repair;
- b. Without reasonable explanation, progress toward completion of permanent repairs to the structure has not occurred within 60 days after receipt of funds following satisfactory adjustment or adjudication of loss resulting from a fire;
- c. Because of its physical condition, the structure is in danger of collapse;
- d. Because of its physical condition, a vacation or demolition order has been issued for the structure, or it has been declared unsafe in accordance with applicable law;
- e. Fixed and salvageable items have been removed from the structure, indicating an intent to vacate the structure;
- f. Without reasonable explanation, heat, water, sewer and electricity are not furnished for the structure for 60 consecutive days; or
- g. The structure is not maintained in substantial compliance with fire, safety and building codes.

4. If:

- a. You are an individual;
- b. A covered auto you own is of the "private passenger type"; and
- c. The policy does not cover garage, automobile sales agency, repair shop, service station or public parking place operations hazards;

we may cancel the Commercial Automobile Coverage Part by mailing or delivering to the first Named Insured and the first Named Insured's agent or broker written notice of cancellation, including the actual reason for cancellation, to the last mailing address known to us:

- a. At least 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. At least 10 days before the effective date of cancellation for any other reason if the policy is in effect less than 30 days; or
- c. At least 20 days before the effective date of cancellation for other than nonpayment if the policy is in effect 30 days or more; or
- d. At least 20 days before the effective date of cancellation if the policy is in effect for 60 days or more or is a renewal or continuation policy, and the reason for cancellation is that your driver's license or that of any driver who customarily uses a covered "auto" has been suspended or revoked during policy period.

5. We will also mail or deliver to any mortgage holder, pledgee or other person shown in this policy to have an interest in any loss which may occur under this policy, at their last mailing address known to us, written notice of cancellation, prior to the effective date of cancellation. If cancellation is for reasons other than those contained in Paragraph **A.3.** above, this notice will be the same as that mailed or delivered to the first Named Insured. If cancellation is for a reason contained in Paragraph **A.3.** above, we will mail or deliver this notice at least 20 days prior to the effective date of cancellation.

6. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

7. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be at least 90% of the pro rata refund unless the following applies:

- a. For Division Two – Equipment Breakdown, if the first Named Insured cancels, the refund will be at least 75% of the pro rata refund.

b. If:

- (1) You are an individual;
 - (2) A covered auto you own is of the "private passenger type";
 - (3) The policy does not cover garage, automobile sales agency, repair shop, service station or public parking place operations hazards; and
 - (4) The first Named Insured cancels;
- the refund will be not less than 90% of any unearned portion not exceeding \$100, plus 95% of any unearned portion over \$100 but not exceeding \$500, and not less than 97% of any unearned portion in excess of \$500.

The cancellation will be effective even if we have not made or offered a refund.

8. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

The policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspection And Surveys

1. We have the right to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations, and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

- 1. Is responsible for the payment of all premiums; and
- 2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

G. Nonrenewal

1. We may elect not to renew this policy by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal, to the first Named Insured and the first Named Insured's agent or broker, at their last mailing addresses known to us. We will also mail to any mortgage holder, pledgee or other person shown in this policy to have an interest in any loss which may occur under this policy, at their last mailing address known to us, written notice of nonrenewal. We will mail or deliver these notices at least 45 days before the:

- a. Expiration of the policy; or
- b. Anniversary date of this policy if this policy has been written for a term of more than one year.

Otherwise, we will renew this policy unless:

- a. The first Named Insured fails to pay the renewal premium after we have expressed our willingness to renew, including a statement of the renewal premium, to the first Named Insured and the first Named Insured's insurance agent or broker, at least 20 days before the expiration date;
- b. Other coverage acceptable to the insured has been procured prior to the expiration date of the policy; or
- c. The policy clearly states that it is not renewable and is for a specific line, subclassification, or type of coverage that is not offered on a renewable basis.

2. If:

- a. You are an individual;
- b. A covered auto you own is of the "private passenger type"; and
- c. The policy does not cover garage, automobile sales agency, repair shop, service station or public parking place operations hazards;

the following applies to nonrenewal of the Commercial Automobile Coverage Part in place of **G.1.:**

- a.** We may elect not to renew or continue this policy by mailing or delivering to you and your agent or broker written notice at least 20 days before the end of the policy period, including the actual reason for nonrenewal. If the policy period is more than one year, we will have the right not to renew or continue it only at an anniversary of its original effective date. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
- b.** We will not refuse to renew Liability Coverage or Collision Coverage solely because an "insured" has submitted claims under Comprehensive Coverage or Towing And Labor Coverage.
- c.** If we fail to mail or deliver proper notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties;

"Nuclear material" means "source material", "Special nuclear material" or "by-product material";

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"Property damage" includes all forms of radioactive contamination of property.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

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WASHINGTON FRAUD STATEMENT

It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
 - (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and
 - (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
 - d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
 - e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COVERAGE C – MEDICAL PAYMENTS**1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

- a. Medical expenses under Coverage **C**;
- b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c. Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage **A**; and
 - b. Medical expenses under Coverage **C** because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

- (2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;

- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication; provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1)** Power cranes, shovels, loaders, diggers or drills; or
 - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a)** You;
 - (b)** Others trading under your name; or
 - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2)** The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2)** The providing of or failure to provide warnings or instructions.

RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion **q.** of Paragraph 2. **Exclusions** of Section I – **Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

q. **Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

- B. Exclusion **p.** of Paragraph 2. **Exclusions** of Section I – **Coverage B – Personal And Advertising Injury Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

p. **Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COMMERCIAL GENERAL LIABILITY
CG 01 81 05 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion e. of Coverage A – Bodily Injury And Property Damage Liability (Section I – Coverages)** applies only to "bodily injury" to any "employee" of the insured whose employment is not subject to the Industrial Insurance Act of Washington (Washington Revised Code Title 51).

With respect to "bodily injury" to "employees" of the insured whose employment is subject to the Industrial Insurance Act of Washington, Exclusion e. is replaced with the following:

This insurance does not apply to:

1. "Bodily injury" to an "employee" of the insured arising out of and in the course of:
 - a. Employment by the insured; or
 - b. Performing duties related to the conduct of the insured's business; or
2. Any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

- B. Paragraphs 2.a.(1)(a), (b) and (c) of Section II – Who Is An Insured** apply only to "employees" of the insured whose employment is not subject to the Industrial Insurance Act of Washington (Washington Revised Code Title 51).

With respect to "employees" of the insured whose employment is subject to the Industrial Insurance Act of Washington, the reference to "volunteer workers" is removed from Paragraph 2.(a) of **Section II – Who Is An Insured** and Paragraph 2.a.(1) of **Section II** is replaced with the following:

2. Each of the following is also an insured:

- a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:

- (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
 - (b) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) above; or
 - (c) Arising out of his or her providing or failing to provide professional health care services.

COMMERCIAL GENERAL LIABILITY
CG 01 97 12 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON CHANGES – EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Coverage A – Bodily Injury And Property Damage Liability (Section I – Coverages):

This insurance does not apply to:

"Bodily injury" to:

1. A person arising out of any:
 - a. Refusal to employ that person;
 - b. Termination of that person's employment; or
 - c. Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
2. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs **a.**, **b.** and **c.** above is directed.

This exclusion applies:

1. Whether the injury-causing event described in Paragraphs **a.**, **b.** or **c.** above occurs before employment, during employment or after employment of that person;
2. Whether the insured may be liable as an employer or in any other capacity; and
3. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

However, Paragraphs **1.a.** and **2.** of this exclusion do not apply if such "bodily injury" is sustained by any "employee" of the insured whose employment is subject to the Industrial Insurance Act of Washington (Washington Revised Code Title 51).

B. The following exclusion is added to Paragraph 2., Exclusions of Coverage B – Personal And Advertising Injury Liability (Section I – Coverages):

This insurance does not apply to:

"Personal and advertising injury" to:

1. A person arising out of any:
 - a. Refusal to employ that person;
 - b. Termination of that person's employment; or
 - c. Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
2. The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs **a.**, **b.** and **c.** above is directed.

This exclusion applies:

1. Whether the injury-causing event described in Paragraphs **a.**, **b.** or **c.** above occurs before employment, during employment or after employment of that person;
2. Whether the insured may be liable as an employer or in any other capacity; and
3. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

However, Paragraphs **1.a.** and **2.** of this exclusion do not apply if such "personal and advertising injury" is sustained by any "employee" of the insured whose employment is subject to the Industrial Insurance Act of Washington (Washington Revised Code Title 51).

POLICY NUMBER: BIS00020556-02

COMMERCIAL GENERAL LIABILITY
CG 03 00 01 96**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****DEDUCTIBLE LIABILITY INSURANCE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

| Coverage | SCHEDULE | |
|--|---|---------|
| | Amount and Basis of Deductible PER CLAIM or PER OCCURRENCE | |
| Bodily Injury Liability OR | \$ | \$ |
| Property Damage Liability OR | \$ | \$1,000 |
| Bodily Injury Liability and/or Property Damage Liability Combined | \$ | \$ |

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury" and "property damage", however caused):

- A.** Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.
- B.** You may select a deductible amount on either a per claim or a per "occurrence" basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amount stated in the Schedule above applies as follows:
- 1. PER CLAIM BASIS.** If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:
 - a.** Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "bodily injury";
 - b.** Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage"; or
 - c.** Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages sustained by any one person because of:
 - (1)** "Bodily injury";
 - (2)** "Property damage"; or
 - (3)** "Bodily injury" and "property damage" combined
- as the result of any one "occurrence".
- If damages are claimed for care, loss of services or death resulting at any time from "bodily injury", a separate deductible amount will be applied to each person making a claim for such damages.
- With respect to "property damage", person includes an organization.

2. PER OCCURRENCE BASIS. If the deductible amount indicated in the Schedule above is on a "per occurrence" basis, that deductible amount applies as follows:

- a. Under Bodily Injury Liability Coverage, to all damages because of "bodily injury";
- b. Under Property Damage Liability Coverage, to all damages because of "property damage"; or
- c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages because of:
 - (1) "Bodily injury";
 - (2) "Property damage"; or
 - (3) "Bodily injury" and "property damage" combined

as the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

C. The terms of this insurance, including those with respect to:

- 1. Our right and duty to defend the insured against any "suits" seeking those damages; and
- 2. Your duties in the event of an "occurrence", claim, or "suit"

apply irrespective of the application of the deductible amount.

D. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

POLICY NUMBER: BIS00020556-02

COMMERCIAL GENERAL LIABILITY
CG 04 42 11 03**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****STOP GAP – EMPLOYERS LIABILITY COVERAGE
ENDORSEMENT – WASHINGTON**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

| Limits Of Insurance | | | |
|----------------------------|----|-----------|-----------------|
| Bodily Injury By Accident | \$ | 1,000,000 | Each Accident |
| Bodily Injury By Disease | \$ | 1,000,000 | Aggregate Limit |
| Bodily Injury By Disease | \$ | 1,000,000 | Each Employee |
| | | | |

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. The following is added to Section I – Coverages:**COVERAGE – STOP GAP – EMPLOYERS LIABILITY****1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated by Washington Law to pay as damages because of "bodily injury by accident" or "bodily injury by disease" to your "employee" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any accident and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in **Section III – Limits Of Insurance**; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under this coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to "bodily injury by accident" or "bodily injury by disease" only if:

(1) The:

- (a) "Bodily injury by accident" or "bodily injury by disease" takes place in the "coverage territory";
- (b) "Bodily injury by accident" or "bodily injury by disease" arises out of and in the course of the injured "employee's" employment by you; and
- (c) "Employee", at the time of the injury, was covered under a worker's compensation policy and subject to a "workers compensation law" of Washington; and

(2) The:

- (a) "Bodily injury by accident" is caused by an accident that occurs during the policy period; or

(b) "Bodily injury by disease" is caused by or aggravated by conditions of employment by you and the injured "employee's" last day of last exposure to the conditions causing or aggravating such "bodily injury by disease" occurs during the policy period.

c. The damages we will pay, where recovery is permitted by law, include damages:

(1) For:

(a) Which you are liable to a third party by reason of a claim or "suit" against you by that third party to recover the damages claimed against such third party as a result of injury to your "employee";

(b) Care and loss of services; and

(c) Consequential "bodily injury by accident" or "bodily injury by disease" to a spouse, child, parent, brother or sister of the injured "employee";

provided that these damages are the direct consequence of "bodily injury by accident" or "bodily injury by disease" that arises out of and in the course of the injured "employee's" employment by you; and

(2) Because of "bodily injury by accident" or "bodily injury by disease" to your "employee" that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

2. Exclusions

This insurance does not apply to:

a. Intentional Injury

"Bodily injury by accident" or "bodily injury by disease" intentionally caused or aggravated by you, or "bodily injury by accident" or "bodily injury by disease" resulting from an act which is determined to have been committed by you if it was reasonable to believe that an injury is substantially certain to occur.

b. Fines Or Penalties

Any assessment, penalty, or fine levied by any regulatory inspection agency or authority.

c. Statutory Obligations

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

d. Contractual Liability

Liability assumed by you under any contract or agreement.

e. Violation Of Law

"Bodily injury by accident" or "bodily injury by disease" suffered or caused by any employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your "executive officers".

f. Termination, Coercion Or Discrimination

Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any "employee", or arising out of other employment or personnel decisions concerning the insured.

g. Failure To Comply With "Workers Compensation Law"

"Bodily injury by accident" or "bodily injury by disease" to an "employee" when you are:

(1) Deprived of common law defenses; or

(2) Otherwise subject to penalty;

because of your failure to secure your obligations or other failure to comply with any "workers compensation law".

h. Violation Of Age Laws Or Employment Of Minors

"Bodily injury by accident" or "bodily injury by disease" suffered or caused by any person:

(1) Knowingly employed by you in violation of any law as to age; or

(2) Under the age of 14 years, regardless of any such law.

i. Federal Laws

Any premium, assessment, penalty, fine, benefit, liability or other obligation imposed by or granted pursuant to:

(1) The Federal Employer's Liability Act (45 USC Section 51-60);

(2) The Non-appropriated Fund Instrumentalities Act (5 USC Sections 8171-8173);

- (3) The Longshore and Harbor Workers' Compensation Act (33 USC Sections 910-950);
- (4) The Outer Continental Shelf Lands Act (43 USC Section 1331-1356);
- (5) The Defense Base Act (42 USC Sections 1651-1654);
- (6) The Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942);
- (7) The Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872);
- (8) Any other workers compensation, unemployment compensation or disability laws or any similar law; or
- (9) Any subsequent amendments to the laws listed above.

j. Punitive Damages

Multiple, exemplary or punitive damages.

k. Crew Members

"Bodily injury by accident" or "bodily injury by disease" to a master or member of the crew of any vessel or any member of the flying crew of an aircraft.

B. The Supplementary Payments provisions apply to Coverage – Stop Gap Employers Liability as well as to Coverages **A** and **B**.

C. For the purposes of this endorsement, Section II – Who Is An Insured, is replaced by the following:

If you are designated in the Declarations as:

- 1. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- 2. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- 3. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- 4. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. For the purposes of this endorsement, Section III – Limits Of Insurance, is replaced by the following:

- 1. The Limits of Insurance shown in the Schedule of this endorsement and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
- 2. The "Bodily Injury By Accident" – Each Accident Limit shown in the Schedule of this endorsement is the most we will pay for all damages covered by this insurance because of "bodily injury by accident" to one or more "employees" in any one accident.
- 3. The "Bodily Injury By Disease" – Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for all damages covered by this insurance and arising out of "bodily injury by disease", regardless of the number of "employees" who sustain "bodily injury by disease".
- 4. Subject to Paragraph **D.3.** of this endorsement, the "Bodily Injury By Disease" – Each "Employee" Limit shown in the Schedule of this endorsement is the most we will pay for all damages because of "bodily injury by disease" to any one "employee".

The limits of the coverage apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. For the purposes of this endorsement, Condition **2. – Duties In The Event Of Occurrence, Claim Or Suit** of the Conditions Section **IV** is deleted and replaced by the following:

2. Duties In The Event Of Injury, Claim Or Suit

- a. You must see to it that we or our agent are notified as soon as practicable of a "bodily injury by accident" or "bodily injury by disease" which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "bodily injury by accident" or "bodily injury by disease" took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the injury, claim, proceeding or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us and assist us, as we may request, in the investigation or settlement of the claim or defense against the "suit";
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury to which this insurance may also apply; and
 - (5) Do nothing after an injury occurs that would interfere with our right to recover from others.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

F. For the purposes of this endorsement, Paragraph **4.** of the **Definitions** Section is replaced by the following:

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in **a.** above; or
- c. All other parts of the world if the injury or damage arises out of the activities of a person whose home is in the territory described in **a.** above, but who is away for a short time on your business;

provided the insured's responsibility to pay damages is determined in the United States (including its territories and possessions), Puerto Rico, or Canada, in a suit on the merits according to the substantive law in such territory, or in a settlement we agree to.

G. The following are added to the **Definitions** Section:

- 1. "Workers Compensation Law" means the Workers Compensation Law and any Occupational Disease Law of Washington. This does not include provisions of any law providing non-occupational disability benefits.
- 2. "Bodily injury by accident" means bodily injury, sickness or disease sustained by a person, including death, resulting from an accident. A disease is not "bodily injury by accident" unless it results directly from "bodily injury by accident".
- 3. "Bodily injury by disease" means a disease sustained by a person, including death. "Bodily injury by disease" does not include a disease that results directly from an accident.

H. For the purposes of this endorsement, the definition of "bodily injury" does not apply.

COMMERCIAL GENERAL LIABILITY
CG 04 50 05 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON CHANGES – WHO IS AN INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Paragraphs **2.a.(1)(a), (b) and (c) of Section II – Who Is An Insured** apply only to "employees" of the insured whose employment is not subject to the Industrial Insurance Act of Washington (Washington Revised Code Title 51).

With respect to "employees" of the insured whose employment is subject to the Industrial Insurance Act of Washington, the reference to "volunteer workers" is removed from Paragraph **2.(a) of Section II – Who Is An Insured** and Paragraph **2.a.(1) of Section II – Who Is An Insured** is replaced with the following:

2. Each of the following is also an insured:

- a.** Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:

(1) "Bodily injury" or "personal and advertising injury":

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;

- (b)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(1)(a)** above; or
- (c)** Arising out of his or her providing or failing to provide professional health care services.

POLICY NUMBER: BIS00020556-02

CG 21 00 07 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ALL HAZARDS IN CONNECTION WITH
DESIGNATED PREMISES RENTAL PROPERTY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description And Location Of Premises:

All Properties Owned by the Insured and Rented to Others

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following exclusion is added to Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2., **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule or any property located on these premises;

2. Operations on those premises or elsewhere which are necessary or incidental to the ownership, maintenance or use of those premises; or
3. Goods or products manufactured at or distributed from those premises.

POLICY NUMBER: BIS00020556-02

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ATHLETIC OR SPORTS PARTICIPANTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Description of Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any operations shown in the Schedule, this insurance does not apply to "bodily injury" to any person while practicing for or participating in any sports or athletic contest or exhibition that you sponsor.

COMMERCIAL GENERAL LIABILITY
CG 21 46 07 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2., **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or

2. The negligent:

- a. Employment;
- b. Investigation;
- c. Supervision;
- d. Reporting to the proper authorities, or failure to so report; or
- e. Retention;

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph 1. above.

COMMERCIAL GENERAL LIABILITY
CG 21 49 09 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

f. Pollution

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 21 54 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All of your ongoing operations and operations included within the "products-completed operations hazard" for any construction project in which you are or have been involved where a consolidated (wrap-up) insurance program has been provided for part or all of the project and for part or all of the time before, during or after the project.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

- (1)** Provides coverage identical to that provided by this Coverage Part;
- (2)** Has limits adequate to cover all claims; or
- (3)** Remains in effect.

COMMERCIAL GENERAL LIABILITY
CG 21 70 01 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
- 1.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - 2.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF CERTIFIED NUCLEAR,
BIOLOGICAL, CHEMICAL OR RADIOLOGICAL ACTS
OF TERRORISM; CAP ON LOSSES FROM CERTIFIED
ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism". However, this exclusion applies only when one or more of the following are attributed to such act:

1. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
2. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
3. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

- D. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

COMMERCIAL GENERAL LIABILITY
CG 21 86 12 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – EXTERIOR INSULATION
AND FINISH SYSTEMS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:
1. The design, manufacture, construction, fabrication, preparation, distribution and sale, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any "exterior insulation and finish system" or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system; or
 2. "Your product" or "your work" with respect to any exterior component, fixture or feature of any structure if an "exterior insulation and finish system", or any substantially similar system, is used on the part of that structure containing that component, fixture or feature.
- B.** The following definition is added to the **Definitions** Section:
- "Exterior insulation and finish system" means a non-load bearing exterior cladding or finish system, and all component parts therein, used on any part of any structure, and consisting of:
1. A rigid or semi-rigid insulation board made of expanded polystyrene and other materials;
 2. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
 3. A reinforced or unreinforced base coat;
 4. A finish coat providing surface texture to which color may be added; and
 5. Any flashing, caulking or sealant used with the system for any purpose.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONDITIONAL EXCLUSION OF TERRORISM INVOLVING
NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM
(RELATING TO DISPOSITION OF FEDERAL
TERRORISM RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

**A. Applicability Of The Provisions Of This
Endorsement**

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Part or Policy; or

b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

(1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or

(2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or

(3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

2. If the provisions of this endorsement become applicable, such provisions:

a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and

b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.

B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are enclosed in quotation marks:

1. "Terrorism" means activities against persons, organizations or property of any nature:
 - a. That involve the following or preparation for the following:
 - (1) Use or threat of force or violence; or
 - (2) Commission or threat of a dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - b. When one or both of the following applies:
 - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
2. "Any injury or damage" means any injury or damage covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part or Policy.

C. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for "any injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury or damage" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

COMMERCIAL GENERAL LIABILITY
CG 22 33 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – TESTING OR CONSULTING
ERRORS AND OMISSIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. An error, omission, defect or deficiency in:
 - a. Any test performed; or
 - b. An evaluation, a consultation or advice given; by or on behalf of any insured;

2. The reporting of or reliance upon any such test, evaluation, consultation or advice; or
3. An error, omission, defect or deficiency in experimental data or the insured's interpretation of that data.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved that which is described in Paragraph 1., 2. or 3.

COMMERCIAL GENERAL LIABILITY
CG 22 34 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – CONSTRUCTION MANAGEMENT
ERRORS AND OMISSIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph **2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph **2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications by any architect, engineer or surveyor performing services on a project on which you serve as construction manager; or
2. Inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved that which is described in Paragraph **1.** or **2.**

This exclusion does not apply to "bodily injury" or "property damage" due to construction or demolition work done by you, your "employees" or your subcontractors.

**COMMERCIAL GENERAL LIABILITY
CG 22 60 12 07**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITATION OF COVERAGE –
REAL ESTATE OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

With respect to real estate operations, this insurance applies only to "bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, operation, maintenance or use of:

1. Such part of any premises you use for general office purposes; and
2. Premises listed or shown by you for sale or rental, if:
 - a. You do not own, operate, manage or rent the premises;
 - b. They are not in your care, custody, or control; or
 - c. You do not act as agent for the collection of rents or in any supervisory capacity.

**COMMERCIAL GENERAL LIABILITY
CG 22 79 04 13**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – CONTRACTORS –
PROFESSIONAL LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

1. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional services by you or on your behalf, but only with respect to either or both of the following operations:
 - a. Providing engineering, architectural or surveying services to others in your capacity as an engineer, architect or surveyor; and
 - b. Providing, or hiring independent professionals to provide, engineering, architectural or surveying services in connection with construction work you perform.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or failure to render any professional services by you or on your behalf with respect to the operations described above.

2. Subject to Paragraph 3. below, professional services include:
 - a. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
 - b. Supervisory or inspection activities performed as part of any related architectural or engineering activities.
3. Professional services do not include services within construction means, methods, techniques, sequences and procedures employed by you in connection with your operations in your capacity as a construction contractor.

COMMERCIAL GENERAL LIABILITY
CG 23 01 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – REAL ESTATE AGENTS OR BROKERS
ERRORS OR OMISSIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of any misrepresentation, error or omission by you or any real estate agent or broker who is either employed by you or performing work on your behalf in such capacity.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved any misrepresentation, error or omission by you or any real estate agent or broker who is either employed by you or performing work on your behalf in such capacity.

COMMERCIAL GENERAL LIABILITY
CG 24 13 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF PERSONAL AND ADVERTISING INJURY DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

With respect to **Coverage B Personal And Advertising Injury Liability**, Paragraph **14.e.** of the **Definitions** section does not apply.

COMMERCIAL GENERAL LIABILITY
CG 24 26 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INSURED CONTRACT DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the **Definitions** section is replaced by the following:

"Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

COMMERCIAL GENERAL LIABILITY
CG 26 77 12 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON – FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

- B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C. The following definition is added to the Definitions Section:**

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INSURING AGREEMENT – COVERAGE TRIGGER

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Paragraphs 1.b., 1.c., 1.d., and 1.e. of the Insuring Agreement of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages) are replaced by the following:

b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" first manifests during the policy period; and
- (3) The "claimant" sustains damages during the policy period because of the "bodily injury" or "property damage".

c. "Claimant" means a person or entity who or which makes a claim or brings a suit against an insured.

d. "Bodily injury" first manifests when it is medically diagnosed. "Property damage" first manifests when it is apparent to any person, whether or not an insured, a "claimant", or a property owner.

Manifestation of "bodily injury" or "property damage" is deemed to occur regardless of:

- (1) The extent of the injury or damage;
 - (2) Whether injury or damage is "continuous or progressive";
 - (3) Whether any claim or "suit" arising out of injury or damage is brought against any insured; or
 - (4) Whether any insured is legally obligated to pay damages because of "bodily injury" or "property damage".
- e. If this policy is renewed, so that the term is more than one annual period, the most we will pay for "bodily injury" and "property damage" that is "continuous or progressive" over more than one annual period, and that first manifests during one of the annual periods of this policy, is the applicable limit of insurance set forth in the declarations for the one annual period in which the injury or damage first manifests; but we will not pay more than we are legally obligated to pay under 1.a. above.

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- f. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

Paragraph 1. Insuring Agreement, SECTION I - COVERAGES, COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY is hereby amended to add new paragraphs 1.c., 1.d., 1.e., and 1.f. as follows:

- c. This insurance does not apply to any damages caused by "personal and advertising injury" that is "continuous or progressive" and that first manifests prior to the effective date or after the expiration of this policy, even if such injury is "continuous or progressive" during the term of this policy.
- d. "Personal and advertising injury" first manifests when it is apparent to any person, whether or not an insured, a "claimant", or a property owner.

Manifestation of "personal and advertising injury" is deemed to occur regardless of:

- (1) The extent of the injury;
 - (2) Whether the injury is "continuous or progressive";
 - (3) Whether any claim or "suit" arising out of the injury is brought against any insured; or
 - (4) Whether any insured is legally obligated to pay damages because of "personal and advertising injury".
- e. "Claimant" means a person or entity who or which makes a claim or brings a suit against an insured.
- f. If this policy is renewed, so that the term is more than one annual period, the most we will pay for "personal and advertising injury" that is "continuous or progressive" over more than one annual period, and that first manifests during one of the annual periods of this policy, is the applicable limit of insurance set forth in the declarations for the one annual period in which the injury or damage first manifests; but we will not pay more than we are legally obligated to pay under 1.a. above.

The following definition is added to SECTION V - DEFINITIONS:

"Continuous or progressive" means "bodily injury," "property damage" or a "personal and advertising injury" that progresses or continues over time, even if latent, cumulative, changing, evolving, deteriorating, intermittent or repeated.

All "continuous and progressive" "bodily injury", "property damage" or "personal and advertising injury" arising out of "your work" on a single project or development, and included in the "products-completed operations hazard", shall be deemed to have occurred at the time of the first such "bodily injury", "property damage" or "personal and advertising injury" and to have arisen out of the same "occurrence" in the case of "bodily injury" or "property damage", or in the case of "personal and advertising injury" out of the same offense. A single project or development includes all phases of the project or development.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REQUIREMENT OF ALLOCATION BETWEEN COVERED AND UNCOVERED DAMAGES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Section 1.a(2) of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages) is replaced by the following:

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**, or when we have paid, subject to the arbitration provisions in Section IV – Commercial General Liability Conditions paragraph 2.e. the portion of any judgment we deem to constitute the damages covered by this policy.

Section 2 of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS (2. Duties in the Event of Occurrence, Offense, Claim Or Suit) is amended to add a new subparagraph “e” as follows:

- e. In any suit we defend, the insured must, at our request, instruct the insured’s defense counsel to seek “allocation” for the purpose of allowing the most accurate determination between covered and uncovered damages.

If for any reason “allocation” is not obtained, or if a dispute arises between us and the insured over our determination of covered and uncovered damages, we will pay the portion of the judgment we deem in our sole discretion to constitute the damages covered by this policy until a different amount shall either be agreed upon between the parties, or determined by binding arbitration. Binding arbitration shall be according to applicable rules of the American Arbitration Association (for insurance disputes if established in the applicable state) before a single neutral arbitrator, or as otherwise agreed in writing by the parties. Binding arbitration may be requested by any affected insured or us, but it must be requested in writing no later than thirty (30) days after entry of judgment. Each party to any arbitration shall pay its own attorney’s fees and expenses and split equally the fees and expenses of the arbitrator unless otherwise required by the applicable state law.

The result of this section may be that an unpaid judgment against an insured is subject to execution by the plaintiff prior to completion of the arbitration process. Each insured waives and releases us from all liability for damages they may sustain as a result of any such execution, and/or arising out of the exercise of our discretion in determining the amount of covered damages payable under this policy. Each insured furthermore waives any right they may otherwise have to assign any such claim to others. The arbitration provisions contained herein constitute the exclusive mechanism by which the insured may dispute our determination of the amount of covered damages payable under this policy.

SECTION V – DEFINITIONS is amended to add the following definition:

“Allocation” means to secure a judgment form that distributes damages as closely as possible, and separately, between each allegation, claim, cause of action, however denominated, and shall be accomplished by any of the following as requested by us:

- a. Special verdict form if a trial by jury; or
- b. Findings of fact and conclusions of law if a bench trial.

**THESE ENDORSEMENTS FURTHER LIMIT COVERAGE UNDER THE
POLICY. PLEASE READ THESE ENDORSEMENTS CAREFULLY.**

GENERAL ENDORSEMENT

These endorsements modify insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

Your representations in applications are binding because of the following endorsement:

We are relying upon the representations made in any application for this policy, whether or not the application is attached to this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL CONDITIONS ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY POLICY

The following conditions precedent to coverage are added to and form part of the policy:

1. You must be named an additional insured on the commercial general liability policy of each contractor and subcontractor that performs work on your behalf throughout the time of each such contractor's and subcontractor's performance, and each such policy must provide defense as well as indemnity to you as an additional insured.
2. You must obtain a certificate of insurance from each contractor and subcontractor that performs work on your behalf prior to the commencement of each such contractor's and subcontractor's work indicating that each such contractor and subcontractor has a commercial general liability policy in effect.
3. Both the policy within which you are named as an additional insured and the certificate of insurance you obtain must have each occurrence, general aggregate, and products-completed operations aggregate limits, including sublimits, in an amount equal to or greater than this policy.
4. You must obtain a hold harmless agreement from each of your contractors and subcontractors, indemnifying you against all loss in any way related to work performed on your behalf by each such contractor and subcontractor.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – EARTH MOVEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION 1 – COVERAGES), AND PARAGRAPH 2., Exclusions of COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY (SECTION 1 – COVERAGES).

This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" caused by, arising or resulting from, or aggravated by earth movement of any kind whatsoever, whether or not combined with water, including but not limited to, earthquake, landslide, subsidence, mud flow, erosion, sinking, rising, shifting, expanding, contracting, consolidation, settling, slipping, falling away, collapse, caving in, flowing, and tilting.

This exclusion applies regardless of: (1) the causes of the earth movement, whether man made or through natural occurrence, or both; (2) whether the causes(s) would otherwise be covered; and (3) whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**WASHINGTON – EXCLUSION – VARIOUS EXCLUDED MATERIALS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION 1 – COVERAGES), AND PARAGRAPH 2., Exclusions of COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY (SECTION 1 – COVERAGES).

1. This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising, directly or indirectly, out of, caused by, resulting from, contributed to, or aggravated by, in whole or in part, any "excluded materials".
2. This exclusion applies whether injury or damage occurs in whole or in part through the actual or alleged or threatened inhalation of, injection of, contact with, exposure to, existence of, use of, removal of, manufacture of, transportation of, storage of, disposal of, or presence of any "excluded material".
3. This insurance does not apply to any loss, cost or expense arising out of any:
 - a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "excluded materials"; and
 - b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "excluded materials".
4. "Materials" mean any elements or combination of elements existing in nature or manufactured, whether or not a product, and whether or not used or incorporated in any product or any work. Excluded "materials" include:
 - a. Asbestos.
 - b. Lead.
 - c. Arsenic.
 - d. Silica or silica dust.
 - e. Fire retardant treated plywood unless the plywood meets the acceptance criteria for Fire-Retardant-Treated wood (AC66) standards by the ICC Evaluation Service, Inc.
 - f. "Entran Pipe". "Entran Pipe" is a brand and consists of a flexible hose system used for radiant heat under surfaces such as floors and driveways.
 - g. "CCA Wood Preservatives". "CCA Wood Preservatives" means any wood preservative product containing chromated copper arsenate (CCA), a chemical mixture of arsenic, chromium, and copper.
 - h. "Airborne Manganese". "Airborne Manganese" means gas, smoke, vapor, and fumes containing Manganese.
 - i. "Nanotechnology" produced. "Nanotechnology" means the creation of functional materials, devices, and systems through control of matter on the nanometer (1 to 100+ nm) length scale and the exploitation of novel properties and phenomena developed at that scale.
 - j. Dioxin.
 - k. Polychlorinated biphenyls.
 - l. Urea/Formaldehyde.

- m. Concrete Sulfates.
- n. Chromated Copper Arsenate.
- o. "Mixed Dust". "Mixed Dust" includes any dust particles from quartz, metallic or fibrous material.
- p. Electromagnetic Radiation and Electromagnetic Fields.
- q. Flammable products if the manufacturers' instructions for application, clean-up and storage are not strictly followed.

Other "excluded materials" may be mentioned elsewhere in endorsements or in the body of the policy itself. Their absence from the listing in Paragraph 4. is not intended to eliminate them as "excluded material" whether or not they are actually identified by that term.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MULTIPLE CAUSES OF LOSS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusion of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION 1 – COVERAGES), AND PARAGRAPH 2., Exclusions of COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY (SECTION 1 – COVERAGES).

Whenever this policy or any endorsement to the policy excludes a cause of injury or damage, we do not cover such injury or damage whether the excluded cause operated directly or indirectly, or whether any other cause or event contributed concurrently or in any sequence to the injury or damage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT – EXCLUSION I. DAMAGE TO YOUR WORK

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The second paragraph of exclusion I, Damage to Your Work, of SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2 Exclusions, is modified as follows:

The exclusion does not apply if damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor; provided, however, if the damage is caused by, arises out of, consists of, or is aggravated by "water", the most we will pay is \$100,000 per occurrence, \$100,000 aggregate.

"Water" means water in any form, whether solid, liquid or gaseous, or a combination of the foregoing, but does not include water leaking from appliances, equipment or pipes.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – GLOBAL CLIMATE CHANGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION 1 – COVERAGES), AND PARAGRAPH 2., Exclusions of COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY (SECTION 1 – COVERAGES).

1. This insurance does not apply to "bodily injury", "property damage", or "advertising and personal injury" arising, directly or indirectly, out of, caused by, resulting from, contributed to, or aggravated by, in whole or in part, global climate change.
2. This insurance does not apply to any loss, cost or expense arising out of any:
 - a. Request, demand, order or statutory or regulatory requirement arising out of or in any way related to global climate change; or
 - b. Claim or suit by or on behalf of a governmental authority for damages arising out of or in any way related to global climate change.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT TO SECTION III – LIMITS OF INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Section III – Limits of Insurance is hereby amended to change the last paragraph (which is an unnumbered paragraph that follows paragraph 7) of Section III to read in full as follows when endorsement ID 00 02 **is not** applicable:

Except with respect to "bodily injury" or "property damage" or "personal and advertising injury" that is "continuous or progressive", the Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months; in which case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance. With respect to "bodily injury" or "property damage" or "personal and advertising injury" that is "continuous or progressive" over more than one annual period, and that first occurs or is alleged to have first occurred during one of the annual periods of this policy, the applicable limit of insurance set forth in the declarations for the one annual period in which the damage or injury first occurs or is alleged to have first occurred, whichever is earlier, will be the sole Limit of Insurance.

Section III – Limits of Insurance is hereby amended to change the last paragraph (which is an unnumbered paragraph that follows paragraph 7) of Section III to read in full as follows when endorsement ID 00 02 **is** applicable:

Except with respect to "bodily injury" or "property damage" or "personal and advertising injury" that is continuous or progressive", the Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months; in which case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance. With respect to "bodily injury" or "property damage" or "personal and advertising injury" that is "continuous or progressive" over more than one annual period, and that first occurs or is alleged to have first occurred during one of the annual periods of this policy, the applicable limit of insurance set forth in the declarations for the one annual period in which the damage or injury first manifests or is alleged to have first manifested, whichever is earlier, will be the sole Limit of Insurance.

The following definition is added to SECTION V - DEFINITIONS:

"Continuous or progressive" means "bodily injury," "property damage" or a "personal and advertising injury" that progresses or continues over time, even if latent, cumulative, changing, evolving, deteriorating, intermittent or repeated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**CHANGES IN COMMERCIAL GENERAL LIABILITY POLICY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART**A. SECTION III - LIMITS OF INSURANCE** is amended to add the following to paragraph 5:

The Each Occurrence Limit shown in the Declarations of this policy is the most we will pay regardless of the number of policies issued to an insured by us which apply or alleged to apply to the same "occurrence".

B. Additional Exclusions are added to SECTION 1. COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions and COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY, Paragraph 2. Exclusions.

This insurance does not apply to:

1. Punitive or Exemplary Damage

If a "suit" is brought against the insured for damages covered by this policy, seeking both compensatory and punitive or exemplary damages, we will afford a defense to such action. We will not have any obligation to pay punitive or exemplary damages, or any interest or costs attributable to such damages. This exclusion does not apply in any state where such endorsement is expressly prohibited by state law or insurance department regulations.

2. Communicable Disease / Sexual Misconduct

"Bodily injury", "property damage", or "personal and advertising injury" arising out of the

- a) Transmission, actual or alleged, of a communicable disease by any insured, including, but not limited to, Acquired Immune Deficiency Syndrome (AIDS);
- b) Failure to perform services which were either intended to or assumed to prevent communicable diseases or their transmission to others; or
- c) Sexual misconduct, including but not limited to any verbal or nonverbal communication, behavior or conduct with sexual connotations or purposes, whether for sexual gratification, discrimination, intimidation, coercion or other purpose, regardless of whether such action is alleged to be intentional or negligent.

3. Cross Suits

"Bodily injury", "property damage" or "personal and advertising injury" for any claim made or "suit" brought by any insured against any other insured, except this exclusion does not apply to a claim or "suit" brought against you by any insured added to this policy by endorsement unless that insured is your "affiliate."

4. Unlicensed Work

"Bodily injury", "property damage" or "personal and advertising injury" arising out of "your work" if "your work" is or was performed in a state without an appropriate, current and valid state contractor's license or registration when a state contractor's license or

registration is available or required for the type of work that you performed or are performing in that state.

5. Plans and Drawings

"Personal and advertising injury" arising out of drawings, plans or specifications.

C. **SECTION V - DEFINITIONS** is amended as follows.

1. Paragraph 5 is amended to read in full as follows:

"Employee" includes a "leased worker" and a "temporary worker".

2. Paragraph 19. "Temporary worker" is amended to add the following sentence:

"Temporary worker" includes casual labor.

3. A new definition is added as follows:

"Affiliate" shall mean any person, any corporation or business entity which controls, is controlled by, or is under common control with, such person or entity.

D. **COORDINATION OF ENDORSEMENTS**

If two or more endorsements to this policy apply to the same loss, each endorsement shall be interpreted so as to give effect to all of its provisions.

E. **INDEPENDENT CONTRACTOR POLICY LIMITS**

Notwithstanding anything to the contrary contained in any other provision of the Policy, unless otherwise agreed in writing between you and us, the insured's independent contractors will not be required to obtain limits of insurance greater than \$1,000,000 each occurrence, \$1,000,000 products aggregate, and \$1,000,000 general aggregate limit.

F. **ASSIGNMENT**

Your rights or duties under this policy may not be transferred without our written consent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

STATE SPECIFIC ENDORSEMENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Notwithstanding anything to the contrary contained in the policy:

1. A state specific endorsement applies only to that state;
2. An endorsement that is not offered or approved for use by us in a particular state in which we do business does not apply to that particular state even though it may be attached to the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – NON-COMPLIANCE WITH BUILDING CODES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following additional exclusion is added to SECTION 1. COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions and COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY, Paragraph 2. Exclusions.

This insurance does not apply to:

"Bodily injury," "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the design, construction, fabrication, maintenance or repair, including remodeling, of any structure in a manner not in compliance with the controlling building code. This exclusion applies notwithstanding any ecological or resource-efficient benefits that might result from such design, construction, fabrication, maintenance or repair.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE TERRITORY AMENDMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Schedule

| | |
|---|-------------------|
| States: | <u>Arizona</u> |
| | <u>California</u> |
| | <u>Idaho</u> |
| | <u>Nevada</u> |
| | <u>Oregon</u> |
| | <u>Washington</u> |
| States listed in schedule are not subject to exclusion. | |

Notwithstanding anything else to the contrary contained in the policy, this insurance does not apply to "bodily Injury" or "property damage" or "personal and advertising injury" arising or in any way related to "your work" or "your products" from operations, whether ongoing or completed, in any country other than the United States, and, within the United States, in any state other than those states indicated in the schedule above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

In the event of cancellation by the insured, the minimum earned premium shall be fully earned at the inception of the policy and shall be twenty percent (20%) of the amount entered as Advance Premium in the Declarations; provided however it shall not be less than the dollar amount shown in the Declarations as the Minimum Premium if applicable.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CONSTRUCTION MANAGEMENT AND CONSULTING

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to “bodily injury” or “property damage” arising out of or resulting from any insured acting as or in the capacity of a “construction manager” or “construction consultant”.

For purposes of this exclusion, “construction manager” or “construction consultant” means any person or entity undertaking to manage, consult on, advise on, or control construction planning, activities or work except as a “general contractor”.

For purposes of this endorsement, “general contractor” means a contractor, not affiliated with the owner, having a written contract with the owner, and is required in return for monetary compensation by the owner: to supply all labor and material to complete one or more projects using its own employees, material suppliers or subcontractors; to pay for all labor, subcontractors and materials from the general contractor’s own funds in the ordinary course of its business in pursuit of profit; to invoice the owner to cover payouts to employees, subcontractors and suppliers as each project progresses; and to have direct written contracts or purchase orders with its subcontractors and suppliers.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. **Section II – Who Is An Insured** is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused by and to the extent of your negligence in the performance of your ongoing operations for the additional insured. A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b. Supervisory, inspection, architectural or engineering activities.
2. "Bodily injury" or "property damage" occurring after:
 - a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
 - b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
3. "Bodily injury", "property damage" or "personal and advertising injury" involving or related to or in connection with any additional insured or any location covered by a scheduled or blanket additional insured endorsement that is a part of the policy.

C. **Primary and Non-contributory Insurance** - We will consider this insurance to be primary and non-contributory to other insurance issued directly to additional insured person(s) or organization(s) to which this endorsement applies if each such additional insured is a named insured in such other insurance and a written contract between you and such person(s) or organization(s) specifically requires that we consider this insurance to be primary and non-contributory..

D. **Waiver of Subrogation** – We waive any right of recovery we may have against the additional insured person(s) or organization(s) to which this endorsement applies if each such additional insured is a named insured in such other insurance and a written contract between you and such person(s) or organization(s) specifically requires that we waive subrogation of payments we make for injury or damage arising out of "your work" done under a contract with such person(s) or organization(s) to which this endorsement applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

EXCLUSION – GREEN BUILDING

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following additional exclusion is added to **SECTION 1. COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions** and **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY, Paragraph 2. Exclusions**.

This insurance does not apply to:

"Bodily injury," "property damage" or "personal and advertising injury" arising out of "green" or attempts to achieve "green", but only with respect to intangible, non-physical, economic or consequential injury or damages arising out of failing to meet standards, requirements, warranties, or deadlines regarding: certification, documentation, record retention, commissioning, rating, energy use, water use, air quality, testing, training, occupancy, tax credits, incentives, code compliance, or performance of equipment, systems or materials.

When used herein:

"Green" means enhanced energy efficiency or use of environmentally-preferable, sustainable materials, products or methods in design, construction, manufacture or operation, as recognized by a "green standards-setter".

"Green standards-setter" means an organization or governmental agency which produces and maintains guidelines related to "green" products and practice. "Green standard-setters" include but are not limited to:

1. The Leadership in Energy and Environmental Design (LEED®) program of the U.S. Green Building Council;
2. ENERGY STAR, a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy; and
3. Green Globes™, a program of the Green Building Initiative.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

EXCLUSION – TAKEOVER OF UNFINISHED WORK

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following additional exclusion is added to **SECTION 1. COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions** and **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY, Paragraph 2. Exclusions.**

This insurance does not apply to:

“Bodily injury”, “property damage” or “personal and advertising injury” arising out of or in any way related to any real property where “your work” on or contiguous to that real property is as a:

1. “Takeover contractor”; or
2. Subcontractor or supplier to a “takeover contractor”

“Takeover contractor” means a contractor that continues, completes, finishes, repairs or replaces any work of a previous contractor on real property that is in the “course of construction” at the time of “takeover”.

“Takeover” means the earlier of the date the “takeover contractor” signs the contract to become a “takeover contractor” or starts work as a “takeover contractor”.

“Course of construction” means that period after construction begins until the entire project has been: (a) finally accepted by its current owner or purchaser; and (2) put to its intended use; and (3) permitted for occupancy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTOMATIC TERMINATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

If we offer to renew and you or your representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal premium when due shall mean that you have not accepted our offer.

ID 00 45 09 12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Exclusion – Weather–Related Water Damage or Injury During Work In Progress

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., Exclusions of Coverage A – Bodily Injury and Property Damage Liability (Section 1 – Coverages), and Paragraph 2., Exclusions of Coverage B – Personal and Advertising Injury Liability (Section 1 – Coverages).

This insurance does not apply to “Bodily injury”, “property damage” or “personal and advertising injury” to any building or structure or its contents before “your work” is completed resulting from, caused by or arising out of “water” (for purposes of this exclusion, “water” means water in any form, whether solid, liquid or gaseous, or a combination of the foregoing) entering through an opening created during the course of “your work”.

However, this exclusion does not apply to new construction in any event, or if you checked and documented in writing the weather reports just prior to the opening being created and regularly, at least daily if “your work” takes more than one day, between the time the opening was created and the time “your work” has been performed, and you have taken “appropriate” steps to protect against damage or injury. For purposes of this exclusion, “appropriate” means conduct or action customarily taken or used by similar contractors in the local area as a best practice to protect or prevent damage or injury under similar circumstances.

Notwithstanding SECTION V – DEFINITIONS, “Products-completed operations hazard”, “your work” will not be considered completed until all work (not just “your work”) to be done at the job site has been completed.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

LIMITATION – RESIDENTIAL HOUSING

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusion of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION 1 – COVERAGES), AND PARAGRAPH 2., Exclusions of COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY (SECTION 1 – COVERAGES).

- A. This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of, in whole or in part, "your work" or the work of any other insured on, within, or upon, or "your products" or the products of any other insured supplied to, used on or with, or incorporated within any:
1. "Common interest development"; or
 2. "Rental complex"; or
 3. "New residential construction" other than 1 above; or
 4. "Owned unit".
- B. The exclusion in **A.1.** above does not apply to:
1. Work performed and products supplied solely within the boundaries of a "separate interest" after "completion"; or
 2. Work performed and products supplied by you to any "common area" after "completion", so long as:
 - a. Neither you nor any other insured corrects, repairs or replaces a "construction defect" involved in: any forthcoming claim or "suit" of which you are aware at the time of correction, repair or replacement; or any current or prior claim or "suit"; and
 - b. Neither you nor any other insured "works" on the "building envelope" of a "common interest development" structure.
- C. The exclusion in **A.2.** above does not apply to a "rental complex" where all of the following are true:
1. The "rental complex" is not converted to a "common interest development" at any point (unless one or more of the exceptions in B. above would otherwise apply); and
 2. The injury or damage does not arise from:
 - a. "Stand alone" "building envelope" "work" within a "rental complex"; or
 - b. Performing "building envelope" "work" as a subcontractor within a "rental complex"; and
 3. "Your work" and "your products" do not involve more than 14 "units" in a "rental complex"
- D. The exclusion in **A.3.** above does not apply if:
1. You are the "builder" and:
 - a. You do not build more than a 4-plex; and
 - b. You do not build in total over time more than 4 "units" in a "rental complex"; and
 - c. You do not build in total over time more than 10 "units" in the "same project" other than a "rental complex"; and

- d. "Your work" and "your products" do not involve more than 4 "units" in the "same project" other than in a "rental complex" in any "annual period"; or
2. You are not the "builder" and "your work" and "your products" do not involve more than 4 "units" in the "same project" other than in a "rental complex" in any "annual period".

E. The exclusion in **A.4.** above does not apply unless the work is to correct, repair or replace a "construction defect" involved in: any forthcoming claim or "suit" of which you are aware at the time of correction, repair or replacement; or any current or prior claim or "suit".

"Annual period" means each annual period measured from the month and day (but not the year) of the effective date of the policy, whether that annual period is prior to or after the effective date of the policy.

"Builder" means the person or entity that actually acts as the general contractor in building a structure.

"Building envelope" means for purposes of this endorsement: the foundation, including the foundation flooring, framing, roof, gables, siding, cladding, doors (other than garage doors), windows, skylights, gutters, decks over living areas, and decks, chimneys, machinery, equipment or other items attached in any manner to any and all structures. Provided, however, "building envelope" does not include any part of a detached structure not designed or used for habitation.

"Care facility" means a "rental complex" where residents may be assisted with any major life activity as defined under the Americans with Disabilities Act.

"Common area" means any area not reserved for exclusive use by a "separate interest".

"Common interest development" means: a "condominium", a "community apartment", a "stock cooperative", or a "planned development", and includes, when built in conjunction with a "common interest development", mixed-use structures containing retail and/or other commercial use along with residential use. Provided, however, that a "planned unit development" shall only be considered part of a "common interest development" for purposes of work on structures owned or leased by a homeowner's association and work in "common area", and an "owned unit" shall be considered a "separate interest" only for purposes of work in a "common area".

"Community apartment" consists of an undivided interest in land coupled with the right of exclusive occupancy of any housing unit located on the land.

"Condominium" is an undivided interest in common in a portion of real property, coupled with a "separate interest" in an "owned unit".

"Completion" means after the building has been actually completed, certified for occupancy, and occupied by at least one "owner".

"Construction defect" means, for purposes of this endorsement, a defect in design or construction by a person or entity other than the Named Insured.

"New residential construction" means original construction as opposed to remodel. For purposes of this endorsement, a remodel of a "rental structure" is any work on an existing "rental structure", whether the "rental structure" is expanded in size or not, but the number of units as a result of the remodel may not exceed the number of units allowed in a "rental complex" by this endorsement. For purposes of this endorsement, "new residential construction" at a "rental complex" is anything other than a remodel. If work performed and products supplied by a general contractor in, on or to a "rental complex" includes "new residential construction" and a remodel, there is no coverage at all if the number of units added by "new residential construction" plus the number of units worked on as a remodel exceeds the number allowed by this endorsement. For example, if 14 units are allowed to be worked on and/or products supplied to, and 4 are built new, if 11 units are remodeled the total is 15, so there is no coverage even though new construction is within the 4 units allowed.

"Owned unit" means a residential "unit" owned and occupied by the "owner" or a person lawfully entitled to occupy the "unit" by the "owner".

"Owner" does not include the developer or any related organization.

"Planned unit development" means any development of residential "units" that does not qualify as a "condominium", "community apartment", or "stock cooperative", where a homeowner association holds either title in fee or a lease of prescribed length on a common area, and there is mandatory membership of all "units" in the association.

"Project" means an entire development or planned development, whether one or more lots, parcels, subdivisions, tracts or otherwise.

"Rental complex" means every "rental structure" in the "same project". "Rental complex" includes both a "care facility" and a "school facility".

"Rental structure" means a structure where all living "units" are or intended to be rented or leased, as opposed to owned by the residents.

"Same project" includes any "project": for the same owner or related owners; or pursuant to a single contract or series of contracts; or developed or completed in phases; whether contiguous or not, whether bearing the same name or not; and whether built at the same time or not.

"School facility" means a "rental complex" where residents may live while attending a school, including, but not limited to, a dorm, fraternity, sorority, or other student housing.

"Separate interest" means an individual "condominium" "owned unit", an individual "community apartment", that portion to which exclusive occupancy belongs within a "stock cooperative"; or a "planned unit development" "owned unit", but only for purposes of work in a "common area".

"Single family residence" means a residence built for use by one household or family, and not built as part of a "rental complex".

"Stand alone" means entirely or substantially all.

"Stock cooperative" is a development in which a corporation is formed primarily for the purpose of holding title to, either in fee simple or for a term of years to improved real property, and all or substantially all of the shareholders of the corporation receive a right of exclusive occupancy in a portion of the real property, title to which is held by the corporation. The owner's interest in the corporation is usually evidenced by a share of stock or a certificate of membership.

"Unit(s)", which respect to a "rental complex" include(s) single or multiple rooms within a "rental complex" as well as more self-contained living units (e.g., units with one or more kitchens, bathrooms, bedrooms or other living areas). "Work" on or to the "building envelope" or work on areas of a "rental complex" not reserved for use by a single resident shall be considered work on all the "units" in the "rental complex". "Units", with respect to everything other than a "rental complex" or "common interest development" means "single family residence(s)", whether in the form of a free standing single family home, a duplex (2 units), a triplex (3 units), or a 4-plex (4 units). "Unit" does not include any part of a detached structure built when not designed or used for habitation for purposes of building limitations.

"Work(s)", when used in conjunction with "building envelope", include(s) not only the direct construction of, but also the protection, preservation, alteration, maintenance, correction, repair or replacement of any component of the "building envelope" itself. Notwithstanding the foregoing, with respect to a "rental complex" only, the following "work" shall not be excluded: exterior painting unless the "rental complex" contains more than 14 units; replacement or repair of mechanical or electrical items that do not involve any other alteration of the "building envelope"; or window washing.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**INSURING AGREEMENT AMENDMENT - USE OF EXTRINSIC EVIDENCE - DUTY
TO DEFEND OR INDEMNIFY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

Paragraph 1. a. of **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** and Paragraph 1. a. of **SECTION I – COVERAGES, COVERAGE B PERSONAL AND ADVERTISING INJURY** are hereby amended to add the following:

We may look to extrinsic evidence outside of the allegations and/or facts pleaded by any claimant to determine whether we owe a duty to defend or indemnify against a “suit” seeking “bodily injury”, “property damage,” or “personal and advertising injury”. We may rely on extrinsic evidence to deny the defense and/or indemnity of a “suit”.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREMIUM AUDIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 5. Premium Audit, is hereby amended to add the following:

1. Records the First named insured must provide upon request include, but are not limited to:
 - a. All checking account records, accounts receivable and payable, general ledgers and payroll records;
 - b. All tax returns, including partnership and corporate tax returns, as well as all payroll tax returns, including quarterly payroll tax returns; and
 - c. Contracts and invoices.
2. If the first Named Insured does not allow us access to the records and make available information, then at our sole discretion, we may:
 - a. Initiate a legal and/or equitable proceeding in a court to force an audit or disclosure of records necessary to complete an audit or to secure an accounting; or
 - b. Invoice the first Named Insured based on our best estimate of exposures for the expiring policy period, but, in any event, not less than an additional 25% of the deposit premium shown in the Declarations.
3. All additional premiums invoiced are due and payable by the first Named Insured thirty (30) days after mailing of the invoice by us or our authorized representative.
4. The first Named Insured further agrees to pay, upon demand, all reasonable attorney's fees, collection costs, and court costs required by us to enforce our rights and remedies set forth above.
5. Any failure by us in auditing the policy or inspecting records or any waiver of our rights to inspection of books and records, shall not act as a continuing or permanent waiver.
6. We retain the right to audit the policy at any time at our sole discretion for three (3) years after termination of the policy in question.
7. For accounts with minimal premium basis exposures when the deposit premium was calculated, the audit may be waived by us.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNDERGROUND UTILITY LOCATION CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is hereby amended to add the following:

Underground Utility Location

It is a condition precedent to coverage that before the insured commences any digging, excavation, boring or similar underground work, a local locator service must come to the job site and mark all underground lines, pipes, cables and underground utilities. The insured must obtain and retain a written record from the locator service. If this is not done, there is no coverage under the policy for any loss, costs or expenses arising out of such operations, and we shall have no duty to defend or indemnify with respect thereto.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – PLAYGROUND OR SPORTS EQUIPMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION 1 – COVERAGES), AND PARAGRAPH 2., Exclusions of COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY (SECTION 1 – COVERAGES).

This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising, directly or indirectly, out of "your work" or "your product" involving or related to the installation or maintenance of playground, sport or recreational equipment at schools, playgrounds, recreational facilities, and residential or commercial projects, including but not limited to installation of swings, slides, climbing equipment, bleachers, and play sets.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – SWIMMING POOL CONSTRUCTION OR MAINTENANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (SECTION 1 – COVERAGES), AND PARAGRAPH 2., Exclusions of COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY (SECTION 1 – COVERAGES).

This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising, directly or indirectly, out of "your work" or "your product" in:

1. the construction, installation, repair or replacement of swimming pools, hot tubs or spas and their filtration systems; or
2. the following activities with respect to the foregoing: tile, resurfacing, water chemical treatment or balancing, pool covering, or fencing.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – INJURY TO EMPLOYEES - WASHINGTON

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

An additional exclusion is added to **SECTION 1. COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, Paragraph 2. Exclusions** and **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY, Paragraph 2. Exclusions**.

zz. Liability For "Bodily Injury" To Any "Employee" Of An Insured Other Than The Named Insured Shown In the Declarations

(1) "Bodily Injury" To An "Employee" Where Any "Insured" Relationship Exists

- (a)** "Bodily injury" to any "employee" of any "insured" other than the Named Insured shown in the Declarations, and/or any "employee" of any contractor or subcontractor hired or retained by or for any "insured", which arises out of or is in any way related to or is a consequence of his or her employment with any "insured" other than the Named Insured shown in the Declarations, or the performance of his or her duties related to the business of any "insured" other than the Named Insured shown in the Declarations, or the performance of his or her duties related to the business of any contractor or subcontractor hired or retained by any "insured", for which any "insured" other than the Named Insured shown in the Declarations may be liable in any capacity; and/or
- (b)** "Bodily injury" sustained by the spouse, child, parent, brother, sister, or heir of any "employee" of any "insured" other than the Named Insured shown in the Declarations, and/or any "employee" of any contractor or subcontractor hired or retained by or for any "insured", which arises out of or is related to or is a consequence of any "bodily injury" to any "employee" of any "insured" other than the Named Insured shown in the Declarations, or any "employee" of any contractor or subcontractor hired or retained by or for any "insured", for which any "insured" other than the Named Insured shown in the Declarations may be liable in any capacity.

(2) "Bodily Injury" To An "Employee" Where No "Insured" Relationship Exists

- (a)** "Bodily injury" to any "employee" of any contractor, subcontractor, or materialman on any "jobsite" on which you are or have been performing operations; or
 - (b)** "Bodily injury" sustained by the spouse, child, parent, brother or sister or heir of any "employee" of any contractor, subcontractor, or materialman on any "jobsite" on which you are or have been performing operations.
- (3)** Any statutory, contractual or other legal obligation of any "insured" to defend or indemnify, hold harmless or contribute to any claim or suit seeking damages arising out of or related to "bodily injury" or damages described in sections **(1)** and **(2)** above.

For purposes of this endorsement, "bodily injury" includes, but is not limited to, any damages for loss of consortium, loss of care, comfort and society, loss of services, loss of financial support, and any liability assumed or required under any statute, contract or agreement.

For purposes of this endorsement, "employee" of an insured other than the Named Insured shown in the Declarations includes a "temporary worker", special employee, "leased worker", sole proprietor, partner, member, officer and director.

For purposes of this endorsement, "insured" includes but is not limited to an additional insured.

For purposes of this endorsement, "job site" means any location, whether or not on more than one lot, and whether or not those lots are contiguous, and including the ways and means adjoining any such location.

All other terms and conditions remain unchanged.

POLICY NUMBER: BIS00020556-02

COMMERCIAL INLAND MARINE

ID MD 01 04 12

CONTRACTORS CHOICE INLAND MARINE DECLARATIONS

| | |
|--|--|
| Developers Surety and Indemnity Company P.O. Box 19725 Irvine, CA 92623 | Dale Gilbertson (BCIB/Best Contractors Insurance & Bonds) 733 7th Avenue, Suite 112 Kirkland, WA 98033 Phone Number: 425-828-6824 |
| <p>NAMED INSURED: <u>Modern Shelter LLC</u></p> <p>DBA: _____</p> <p>MAILING ADDRESS: <u>906 19TH AVE E</u> <u>SEATTLE, Washington 98112</u></p> <p>POLICY PERIOD: FROM <u>11/29/2015</u> TO <u>11/29/2016</u> AT 12:01 A.M. TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.</p> | |

| | |
|-----------------------|-----|
| BUSINESS DESCRIPTION: | LLC |
|-----------------------|-----|

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY,
WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

| | |
|---|---------|
| A. PROPERTY AT YOUR PREMISES | Premium |
| Please refer to "CONTRACTORS CHOICE LOCATION SCHEDULE" for specific coverages | |

| B. CONTRACTORS INSTALLATION COVERAGE | Deductible Limit | Limit of Insurance | Premium |
|---|------------------|--------------------|---------|
| Property at Each Covered Job Site | | | |
| Aggregate Limit for All Covered Job Sites | | | |
| In Transit | | | |
| At Temporary Storage Location | | | |

| C. CONTRACTORS TOOLS & EQUIPMENT | Deductible Limit | Limit of Insurance | Premium |
|---|------------------|--------------------|---------|
| Unscheduled (No one item to exceed \$2,500) | \$500 | \$5,000 | \$ |
| | | | |
| | | | |
| | | | |

| D. COMPUTER COVERAGE | Deductible Limit | Limit of Insurance | Premium |
|-----------------------------|------------------|--------------------|---------|
| | | | |
| | | | |

| | |
|---------------|----|
| Total Premium | \$ |
|---------------|----|

IL 00 03 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

WASHINGTON COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

The conditions in this endorsement replace any similar conditions in the policy that are less favorable to the insured.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured and the first Named Insured's agent or broker written notice of cancellation, including the actual reason for the cancellation, to the last mailing address known to us, at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 45 days before the effective date of cancellation if we cancel for any other reason;
 except as provided in Paragraphs 3. and 4. below.
3. We may cancel the Commercial Property Coverage Part and the Capital Assets Program (Output Policy) Coverage Part, if made a part of this policy, by mailing or delivering to the first Named Insured and the first Named Insured's agent or broker written notice of cancellation at least 5 days before the effective date of cancellation for any structure where 2 or more of the following conditions exist:
 - a. Without reasonable explanation, the structure is unoccupied for more than 60 consecutive days, or at least 65% of the rental units are unoccupied for more than 120 consecutive days unless the structure is maintained for seasonal occupancy or is under construction or repair;
 - b. Without reasonable explanation, progress toward completion of permanent repairs to the structure has not occurred within 60 days after receipt of funds following satisfactory adjustment or adjudication of loss resulting from a fire;
 - c. Because of its physical condition, the structure is in danger of collapse;
 - d. Because of its physical condition, a vacation or demolition order has been issued for the structure, or it has been declared unsafe in accordance with applicable law;
 - e. Fixed and salvageable items have been removed from the structure, indicating an intent to vacate the structure;
 - f. Without reasonable explanation, heat, water, sewer, and electricity are not furnished for the structure for 60 consecutive days; or
 - g. The structure is not maintained in substantial compliance with fire, safety and building codes.
4. If:
 - a. You are an individual;
 - b. A covered auto you own is of the "private passenger type"; and
 - c. The policy does not cover garage, automobile sales agency, repair shop, service station or public parking place operations hazards;
 we may cancel the Commercial Automobile Coverage Part by mailing or delivering to the first Named Insured and the first Named Insured's agent or broker written notice of cancellation, including the actual reason for cancellation, to the last mailing address known to us:
 - a. At least 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. At least 10 days before the effective date of cancellation for any other reason if the policy is in effect less than 30 days; or
 - c. At least 20 days before the effective date of cancellation for other than nonpayment if the policy is in effect 30 days or more; or
 - d. At least 20 days before the effective date of cancellation if the policy is in effect for 60 days or more or is a renewal or continuation policy, and the reason for cancellation is that your driver's license or that of any driver who customarily uses a covered "auto" has been suspended or revoked during policy period.

5. We will also mail or deliver to any mortgage holder, pledgee or other person shown in this policy to have an interest in any loss which may occur under this policy, at their last mailing address known to us, written notice of cancellation, prior to the effective date of cancellation. If cancellation is for reasons other than those contained in Paragraph **A.3.** above, this notice will be the same as that mailed or delivered to the first Named Insured. If cancellation is for a reason contained in Paragraph **A.3.** above, we will mail or deliver this notice at least 20 days prior to the effective date of cancellation.
6. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
7. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be at least 90% of the pro rata refund unless the following applies:
 - a. For Division Two – Equipment Breakdown, if the first Named Insured cancels, the refund will be at least 75% of the pro rata refund.
 - b. If:
 - (1) You are an individual;
 - (2) A covered auto you own is of the "private passenger type";
 - (3) The policy does not cover garage, automobile sales agency, repair shop, service station or public parking place operations hazards; and
 - (4) The first Named Insured cancels;
 the refund will be not less than 90% of any unearned portion not exceeding \$100, plus 95% of any unearned portion over \$100 but not exceeding \$500, and not less than 97% of any unearned portion in excess of \$500.
 The cancellation will be effective even if we have not made or offered a refund.
8. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

The policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspection And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs **1.** and **2.** of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph **2.** of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

G. Nonrenewal

1. We may elect not to renew this policy by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal, to the first Named Insured and the first Named Insured's agent or broker, at their last mailing addresses known to us. We will also mail to any mortgage holder, pledgee or other person shown in this policy to have an interest in any loss which may occur under this policy, at their last mailing address known to us, written notice of nonrenewal. We will mail or deliver these notices at least 45 days before the:

- a. Expiration of the policy; or
- b. Anniversary date of this policy if this policy has been written for a term of more than one year.

Otherwise, we will renew this policy unless:

- a. The first Named Insured fails to pay the renewal premium after we have expressed our willingness to renew, including a statement of the renewal premium, to the first Named Insured and the first Named Insured's insurance agent or broker, at least 20 days before the expiration date;

- b. Other coverage acceptable to the insured has been procured prior to the expiration date of the policy; or
- c. The policy clearly states that it is not renewable, and is for a specific line, subclassification, or type of coverage that is not offered on a renewable basis.

2. If:

- a. You are an individual;
- b. A covered auto you own is of the "private passenger type"; and
- c. The policy does not cover garage, automobile sales agency, repair shop, service station or public parking place operations hazards;

the following applies to nonrenewal of the Commercial Automobile Coverage Part in place of **G.1.:**

- a. We may elect not to renew or continue this policy by mailing or delivering to you and your agent or broker written notice at least 20 days before the end of the policy period including the actual reason for nonrenewal. If the policy period is more than one year, we will have the right not to renew or continue it only at an anniversary of its original effective date. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
- b. We will not refuse to renew Liability Coverage or Collision Coverage solely because an "insured" has submitted claims under Comprehensive Coverage or Towing and Labor Coverage.
- c. If we fail to mail or deliver proper notice of nonrenewal and you obtain other insurance this policy will end on the effective date of that insurance.

POLICY NUMBER:

IL 09 85 01 08

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

Terrorism Premium (Certified Acts) \$

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):

COMMERCIAL INLAND MARINE COVERAGE PART

Additional information, if any, concerning the terrorism premium:

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

WASHINGTON CONTRACTORS CHOICE PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION G – PROPERTY DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss or damage to Covered Property described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this policy, means the type of property as described in this section, **A.1**, and not limited in **A.2**, Property Not Covered.

a. Business Personal Property

(1) If a Limit of Insurance is shown in the Declarations, Covered Property includes Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises, including:

- (a) Property you own that is used in your business;
- (b) Property of others in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition **E.5.d(2)**;
- (c) Leased personal property for which you have a contractual responsibility to insure.

b. Coverage Extension

In addition to the Limits of Insurance for Business Personal Property, if, and only if, a Limit of Insurance is shown in the Declarations, the insurance provided is extended as follows to property located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises.

- (1) Personal effects owned by you, your officers, your partners or your employees.

This extension does not apply to loss or damage by theft.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises.

(2) Extra Expense**(a) Extra Expense**

We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (i) The portion of the building which you rent, lease or occupy; and
- (ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

(b) Extra Expense means expense incurred:

- (i) To avoid or minimize the suspension of business and to continue "operations":

- (a) At the described premises; or
- (b) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.
- (ii) To minimize the suspension of business if you cannot continue "operations".
- (iii) To:
 - (a) Repair or replace any property to the extent it reduces the amount of loss that otherwise would have been payable under this Extended Coverage.

We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.

The most we will pay for this Coverage Extension is \$5,000, unless a higher Limit of Insurance for Extra Expense is shown in the Declarations.

2. Property Not Covered

Covered Property does not include:

- a. Buildings or structures including permanently installed machinery, equipment and other fixtures, all whether or not in the course of construction, reconstruction, renovation, repair or upkeep;
- b. Aircraft; dealers' demonstration equipment, machinery and vehicles; dirt bikes, house trailers, mobile homes, mopeds, motorcycles, motorized bicycles, tricycles or four-wheel all-terrain vehicles; snowmobiles, trucks and vehicles primarily designed and licensed for road use;
- c. "Money" or "securities";
- d. Contraband, or property in the course of illegal transportation or trade;
- e. Land (including land on which the property is located), water, growing crops or lawns;
- f. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs, trees, shrubs or plants;

- g. Watercraft (including motors, equipment and accessories).
 - h. Contractors' Installation Coverage (including loss of or damage to materials, supplies, equipment, machinery and fixtures owned by you or in your care custody or control intended for installation by you or at your direction)
 - i. Contractors' Tools and Equipment (including accessories, whether or not attached, and spare parts, and whether or not owned by you or in your care, custody or control.
 - j. Computers and Software (including any injury or damage arising or in any way related to computers and software)
 - k. "Valuable Papers and Records"
 - l. Accounts Receivables
- ## 3. Covered Causes of Loss
- Risks Of Direct Physical Loss to Covered Property unless the loss is:
- a. Excluded in Section **B.**, Exclusions; or
 - b. Limited in Paragraph **A.4.**, Limitations; that follow.
- ## 4. Limitations
- a. We will not pay for loss of or damage to:
 - (1) Property that is missing, but there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory.
 - (2) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- ## 5. Additional Coverages
- a. Debris Removal
 - (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:
 - (a) The date of direct physical loss or damage; or
 - (b) The end of the policy period.
 - (2) The most we will pay under this Additional Coverage is 25% of:

- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
- (b) The deductible in this policy applicable that loss or damage.
- (3) This Additional Coverage does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- b. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

 - (1) Assumed by contract or agreement prior to loss; or
 - (2) Required by local ordinance.
- c. Collapse
 - (1) We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building at the described premises or in the open (or in a vehicle) within 100 feet of the described premises, if the collapse is caused by one or more of the following:
 - (a) The "specified causes of loss" or breakage of building glass, all only as insured against in this policy;
 - (b) Hidden decay;
 - (c) Hidden insect or vermin damage;
 - (d) Weight of people or personal property
 - (e) Weight of rain that collects on a roof;
 - (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
 - (2) Collapse does not include settling, cracking, shrinkage, bulging or expansion.
- d. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge,

dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

The most we will pay for each location under this Additional Coverage is \$2,500 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

B. EXCLUSIONS

- 1. All exclusion in this Section B. shall be considered excluded events. We will not pay for loss or damage caused by any excluded event. Loss or damage will be considered to have been caused by an excluded event if the occurrence of that event: directly and solely results in loss or damage; or initiates a sequence of events that results in loss or damage, regardless of the nature of any intermediate or final event in that sequence.

a. Ordinance Or Law

The enforcement of any ordinance of law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This Ordinance Or Law exclusion applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Any earth movement (other than "sinkhole collapse"), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or "explosion",

we will pay for the loss or damage caused by that fire or “explosion”.

- (2) Volcanic eruption, “explosion” or effusion. But if volcanic “explosion” or effusion results in fire, building glass breakage or “volcanic action”, we will pay for the loss or damage caused by that fire, building glass breakage or “volcanic action”.

c. Government Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises

But if failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss

f. War and Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or

their spray, all whether driven by wind or not;

- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if Water, as described in **B.1.g.(1)** through **B.1.g.(4)**, results in fire, “explosion” or sprinkler leakage, we will pay for the loss or damage caused by that fire, “explosion” or sprinkler leakage.

2. We will not pay for loss or damage caused by from any of the following:

- a. Electrical Apparatus: Artificially generated electric current, including electrical arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by fire.

- b. Consequential Losses. Delay loss of use or loss of market.
- c. “Smoke”, Vapor, Gas: “Smoke”, vapor or gas from agricultural smudging or industrial operations.
- d. Steam Apparatus: “Explosion” of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if “explosion” of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion “explosion”, we will pay for the loss or damage caused by that fire or combustion “explosion”. We will also pay for loss or damage caused by or resulting from the “explosion” of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- e. Dishonesty: Dishonest or criminal acts (including theft) committed by:

- (1) You, any of your partners, employees (including temporary employees and

leased workers), officers, directors, trustees, or authorized representatives;

- (2) A manager or a member if you are a limited liability company; or
- (3) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives; or
- (4) Any person to whom you entrust the property for any purpose;

Whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) is not covered.

- f. False Pretense: Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- g. Exposed Property: Rain, snow, ice or sleet to personal property in the open.
- h. Collapse: Collapse, except as provided in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss
- i. Pollution: Except as otherwise provided in Additional Coverages **A.5.d.** Pollutant Clean Up and Removal, we will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".
- j. Other Types of Loss:
 - (1) Wear and tear;

- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force; or
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.
 - (d) But if an excluded cause of loss that is listed in **B.2.j.(1)** through **B.2.j.(7)** results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

- 3. We will not pay for loss or damage caused by or resulting from any of the following :
 - a. Weather Conditions: Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.
 - b. Acts or Decisions. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Negligent Work: Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;

- 4. Extra Expense Exclusions. We will not pay for:

- a. Any Extra Expense caused by or resulting from:

- (1) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
- (2) Suspension, lapse or cancellation of any license, lease or contract.

- b. Any other consequential loss.

C. LIMITS OF INSURANCE

- 1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations
- 2. The limits applicable to Debris Removal, Fire Department Service Charge, and Pollutant Clean Up and Removal, are in addition to the Limits of Insurance

D. DEDUCTIBLES

- 1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
- 2. No deductible applies to the following Additional Coverages:
 - a. Fire Department Service Charge;
 - b. Extra Expense; and
 - c. Personal Effects.

E. PROPERTY LOSS CONDITIONS

- 1. Abandonment
There can be no abandonment of any property to us.
- 2. Appraisal
If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will Select a Competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
 - a. Pay its chosen appraiser; and

- b. Bear the other expenses of the appraisal and umpire equally.

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

5. Loss Payment

In the event of loss or damage covered by this policy:

- a. At our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality.
- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. Except as provided in (2) below, we will determine the value of Covered Property as follows:
 - (1) At full replacement cost, meaning the amount necessary to purchase new property of comparable material and quality without deduction for depreciation, subject to the following:
 - (a) If, at the time of loss, the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the loss, we will pay the cost to repair or replace, after application of the deductible, but not

more than the least of the following amounts:

- i. The Limit of Insurance under this policy that applies to the lost or damaged property;
 - ii. The cost to replace, on the same premises, the lost or damaged property with other property:
 - (i) Of comparable material and quality; and
 - (ii) Used for the same purpose; or
 - iii. The amount that you actually spend that is necessary to repair or replace the lost or damaged property.
- (b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:
- i. The actual cash value of the lost or damaged property;
 - ii. A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repair or replacement.
- (c) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
- (d) We will not pay on a replacement cost basis for any loss or damage:

- i. Until the lost or damaged property is actually repaired or replaced; and
 - ii. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- (2) The following property at actual cash value:
 - (a) Property of others, but this property is not covered for more than the amount for which you are liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others;
- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.
- 6. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses to repair the recovered property, subject to the Limit of Insurance.
- 7. Resumption of "Operations"

We will reduce the amount of your:

Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

- 8. Pair, Sets or Parts
 - a. Pair or Set. In case of a Covered Cause of Loss to any part of a pair or set we may:
 - (1) Repair or replace any part to restore the pair or set to its value before the Covered Cause of Loss; or
 - (2) Pay the difference between the value of the pair or set before and after the Covered Cause of Loss.
 - b. Parts. In case of a Covered Cause of Loss to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

F. PROPERTY GENERAL CONDITIONS

- 1. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

 - a. This policy;
 - b. The Covered Property;
 - c. Your interest in the Covered Property; or
 - d. A claim under this policy.
- 2. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.
- 3. Liberalization

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.
- 4. Other Insurance
 - a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of

Insurance of all insurance covering on the same basis.

- b. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

5. Premiums

- a. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

- b. With our consent, you may continue this policy in force by applying a continuation premium for each successive one-year period. The premium must:

- (1) Paid to us prior to the anniversary date; and
- (2) Determined in accordance with Paragraph **b.** above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

- c. Undeclared exposures or change in your business operation, acquisition or use of locations that are not shown in the Declarations may occur during the policy period. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

6. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing.

- a. Prior to loss to your Covered Property.

- b. After a loss to your Covered property only if at time of loss, that party is one of the following:

- (1) Someone insured by this insurance.
- (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
- (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

7. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this policy at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

8. No Benefit to Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

9. Policy Period, Coverage Territory

Under this form:

- a. We cover loss or damage commencing:
 - (1) During the policy period shown in the Declarations; and
 - (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.
- b. The coverage territory is:
 - (1) The United States of America (including its territories and possessions);
 - (2) Puerto Rico; and
 - (3) Canada.

G. PROPERTY DEFINITIONS

- 1. **"Money"** means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
- 2. **"Operations"** means your business activities occurring at the described premises.
- 3. **"Period of Restoration"** means the period of time that:

- a. Begins immediately after the time of direct physical loss or damage for Extra Expense Coverage caused by or resulting from any Covered Cause of Loss at the described premises; and
- b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.
- c. "Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
 - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".
4. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including "smoke", vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. **"Securities"** means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".
6. **"Specified Causes of Loss"** means the following:
 Fire; lightning; "explosion"; "windstorm or hail"; "smoke"; "aircraft or vehicles"; "riot or civil commotion"; "vandalism"; leakage from fire extinguishing equipment; "sinkhole collapse"; "volcanic action"; "falling objects"; weight of snow, ice or sleet; "water damage".
 - a. **"Aircraft or vehicles"** means only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the Covered Property. This cause of loss includes loss or damage by objects falling from aircraft.
 Aircraft or vehicle does not mean any aircraft or vehicle owned by you, or operated by you in the course of your business.
 - b. **"Explosion"** includes the explosion of gasses or fuel within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:
 - (1) Rupture, bursting or operation of pressure relief devices; or
 - (2) Rupture or bursting due to expansion or swelling of contents of any building or structure, caused by or resulting from water.
 - c. **"Falling objects"** does not include loss of or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - d. **"Riot or civil commotion"** includes:
 - (1) Acts of striking employees while occupying the described premises; and
 - (2) Looting occurring at the time and place of a riot or civil commotion.
 - e. **"Sinkhole collapse"** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into manmade underground cavities.
 - f. **"Smoke"** means smoke causing sudden and accidental loss or damage. It does not include smoke from agricultural smudging or industrial operations.

- g. **“Vandalism”** means willful and malicious damage to, or destruction of, Covered Property.
 - (1) It includes damage to Covered Property caused by or resulting from breakage of glass by vandals.
 - (2) It does not include loss or damage caused by or resulting from theft.
- h. **“Volcanic action”** means direct loss or damage resulting from the eruption of a volcano when this loss or damage is caused by:
 - (1) Volcanic blast or airborne shock waves; or
 - (2) Ash, dust, or particulate matter.

This coverage form does not provide coverage for damage to: Property in the open or in open sheds; or personal property contained within buildings not completely enclosed.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.
- i. **“Water damage”** means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.
- j. **“Windstorm or Hail”** does not include:
 - (1) Frost or cold weather;
 - (2) Ice (other than hail), snow or sleet, whether driven by wind or not; or
 - (3) Loss or damage to the property inside a building or structure caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.
- 7. **“Temporary storage location”** means a location where property that is to become a permanent part of a completed project is stored while waiting to be delivered to a site:
 - a. That you do not own, lease or operate; and
 - b. Where work is in progress, or will begin in 30 days.
- 8. **“Valuable Papers and Records”**
 - a. “Valuable papers and records” means inscribed, printed, or written:
 - (1) Documents;
 - (2) Manuscripts; and
 - (3) Records; including abstracts, books, deeds, drawings, films, maps, or mortgages.
 - b. “Valuable papers and records” does not mean
 - (1) “Money” or “Securities”;
 - (2) Converted data; or
 - (3) Programs or instructions used in “your” data processing operations, including the materials into which the data is recorded.

WASHINGTON CONTRACTORS CHOICE INLAND MARINE COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION G – PROPERTY DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss or damage to Covered Property described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this policy, means the type of property as described in this section, **A.1**, and not limited in **A.2**, Property Not Covered.

a. Property at Premises. If a Limit of Insurance is shown in the Declarations, Covered Property includes the following property located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises:

(1) "Valuable Papers and Records"

(a) Direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This coverage includes the cost to research lost information on "valuable papers and records" for which duplicates do not exist.

(b) This coverage does not apply to:

- i. Property held as samples or for delivery after sale;
- ii. Property in storage away from the premises shown in the Declarations.

(c) The most we will pay under this coverage for loss or damage to "valuable papers and records" in any one occurrence is \$2,500, unless a higher Limit of insurance for "valuable

papers and records" is shown in the Declarations.

(d) Section **B**. Exclusions of this policy does not apply to this coverage except for:

- i. Paragraph **B.1.c.**, Governmental Action;
- ii. Paragraph **B.1.d.**, Nuclear Hazard;
- iii. Paragraph **B.1.f.**, War and Military Action; and
- iv. The Accounts Receivable and Valuable Papers and Records Exclusions **B.5**.

(2) Accounts Receivable

(a) We will pay:

- i. All amounts due from your customers that you are unable to collect;
- ii. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- iii. Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- iv. Other reasonable expenses that you incur to reestablish your records of accounts receivable;

That result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

(b) The most we will pay under this coverage for loss or damage in any

one occurrence at the described premises is \$2,500, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

(c) Section **B**. Exclusions of this policy does not apply to this coverage except for:

- i. Paragraph **B.1.c.**, Governmental Action;
- ii. Paragraph **B.1.d.**, Nuclear Hazard;
- iii. Paragraph **B.1.f.** War and Military Action; and
- iv. The Accounts Receivable and "Valuable Papers and Records" Exclusions **B.5**.

b. Contractors' Installation Coverage

(1) If a Limit of Insurance is shown in the Declarations, Covered Property includes Business Personal property of others sold under an installation agreement where your insurable interest continues until the property is accepted by the purchaser for whom the project is to be performed, including:

- (a) Materials, supplies, equipment, machinery, and fixtures owned by you or in your care, custody or control, and which are to be installed by you or at your direction; and
- (b) Temporary structures built or assembled on site, including cribbing, scaffolding and construction forms.

(2) This property is covered while:

- (a) At any job site you do not own, lease or operate;
- (b) Awaiting and during installation, or awaiting acceptance by the purchaser;
- (c) In transit, or,
- (d) At a "temporary storage location".

(3) Coverage will end when one of the following first occurs:

- (a) This policy expires or is cancelled;
- (b) The property covered is accepted by the purchaser;

(c) Your interest in the property covered ceases;

(d) You abandon the project to be performed by you for the purchaser, with no intention to complete it; or

(e) 90 days after the project to be performed by you for the purchaser is completed, unless we specify a different date in writing.

c. Contractors' Tools and Equipment

(1) If a Limit of Insurance is shown in the Declarations, Covered Property means tools and equipment used in your business, including their:

- (a) Accessories, whether or not attached; and
- (b) Spare parts, that are specifically designed and intended for use in the maintenance and operation of property covered under this section; that you own, or that you do not own but that are in your care, custody or control.

(2) The property covered may be:

- (a) Covered on a blanket basis for tools and equipment you own, that are not:
 - i. Individually described in the Schedule or in the Declarations; and
 - ii. In excess of \$2,500 on any one item;
 - iii. if a blanket Limit of Insurance is shown in the Schedule or in the Declarations; or
- (b) Covered on a scheduled basis for each item of tools and equipment you own that is specifically described in the Schedule or in the Declarations, and for which a Limit of Insurance is shown.

(3) Newly Acquired Tools and Equipment

- (a) If, during the policy period, you acquire property of a type that is specifically described in the Schedule or Declarations, you may extend coverage to apply to such property.
- (b) The most we will pay for loss or damage under this coverage is the lesser of:

- (i) 25% of the total limit of insurance shown in the Schedule or Declarations for property covered on a scheduled basis, or
- (ii) \$50,000.
- (c) This coverage will end when any of the following first occurs:
 - (i) This policy expires or is cancelled;
 - (ii) 30 days after the date of acquisition of the newly acquired tools or equipment; or
 - (iii) You report values of the newly acquired tools or equipment to us.
- (d) We will charge you additional premium based on values reported from the date of purchase.

(4) Non-Owned Tools and Equipment

When a limit of insurance is shown in the Schedule or Declarations, Covered Property includes contractors' tools and equipment leased, rented or borrowed from others that are in your care, custody or control.

The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Non-Owned Tools and Equipment shown in the Schedule or Declarations.

(5) Employees' Tools

When a limit of insurance is shown in the Schedule or Declarations, Covered Property includes your Employees' Tools which are used in connection with your "operations"

The most we will pay for loss or damage in any one occurrence to Employees' Tools is the Limit of Insurance for Employees' Tools shown in the Schedule or Declarations not to exceed:

- (a) \$500 for all tools of any one employee; and
- (b) \$100 per tool.

(6) Rental Cost Reimbursement

When a limit of insurance is shown in the Schedule or Declarations, we will reimburse the insured for the expense of

renting substitute equipment when such rental is made necessary:

- (a) Due to direct physical loss or damage to covered contractors' equipment caused by or resulting from any Covered Cause of Loss;
- (b) To continue as nearly as practicable the normal operation on work in progress; and
- (c) When the insured does not have equipment that can be used for continuing or resuming "operations".

The limit of recovery under this extension of coverage shall be 80% of the expense incurred commencing seventy-two (72) hours after the loss or damage has occurred and terminating, regardless of expiration of the policy period, when the covered property has been replaced, restored to service, or is no longer needed, whichever occurs first.

The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Rental Cost Reimbursement shown in the Schedule or Declarations.

d. Computer Coverage

If a Limit of Insurance is shown in the Declarations, Covered Property includes the following types of property that you own that are used in your business; and property of others as defined below, that is in your care, custody or control, but such property is not covered for more than the amount for which you are legally liable:

- (1) Electronic Data Processing Equipment (Hardware) includes:
 - (a) Programmable electronic equipment that is used to store, retrieve and process data; and
 - (b) Associated peripheral equipment that provides communication including input and output functions such as printing, or auxiliary functions such as data transmission;
 - (c) Except as described in (2) below.
- (2) Electronic Media and Records (including Software) includes:

- (a) Electronic data processing, recording or storage media such as software, films, tapes, discs, drums or cells;
- (b) Data stored on such media; and
- (c) Programming records used for electronic data processing or electronically controlled equipment.

(3) We will pay for loss or damage to covered property due to:

- (a) Mechanical Breakdown of Electronic Data processing Equipment if such loss or damage exceeds in any one occurrence the applicable deductible shown in the Declarations.

We will then pay the amount of loss or damage in excess of the deductible up to the applicable Limit of Insurance applying to Electronic Data Processing Equipment at the described premises.

- (b) Artificially Generated Electrical Current if such loss or damage is caused by or results from:

- i. An occurrence that took place within 100 feet of the described premises; or
- ii. Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

If such loss or damage as specified above, exceeds in any one occurrence the applicable deductible shown in the Declarations, we will then pay the amount of loss or damage in excess of the deductible up to the applicable Limit of Insurance for the Equipment

2. Property Not Covered

Covered Property does not include:

- a. Buildings or structures including permanently installed machinery and equipment, all whether or not in the course of construction, reconstruction, renovation, repair or upkeep, except as provided for contractors' installation coverage **A.1.b.**;

- b. Aircraft; dealers' demonstration equipment, machinery and vehicles; dirt bikes, house trailers, mobile homes, mopeds, motorcycles, motorized bicycles, tricycles or four-wheel all-terrain vehicles; snowmobiles, trucks and vehicles primarily designed and licensed for road use;
- c. "Money" or "securities";
- d. Contraband, or property in the course of illegal transportation or trade;
- e. Land (including land on which the property is located), water, growing crops or lawns;
- f. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs, trees, shrubs or plants;
- g. Watercraft (including motors, equipment and accessories).
- h. Contractors' Installation Coverage does not include:
 - (1) An existing building or structure to which an addition, alteration, improvement or repair is being made;
 - (2) Property stored at a permanent warehouse or storage yard that you own;
 - (3) A plan, blue print, design or specification;
 - (4) Trees, grass, sod, shrubbery or plants; and
 - (5) Machinery, tools, equipment, supplies or similar property that do not become a permanent part of the project to be performed by you for the purchaser at the covered job site. This includes tools and equipment belonging to a contractor or subcontractor.
- i. Contractors' Tools and Equipment does not include:
 - (1) Property while in caissons or underwater or while being used in underground mining, tunneling or similar operations;
 - (2) Property you have loaned, rented or leased to others;
 - (3) Property that is or will become a permanent part of any building or structure; Property held for sale;
 - (4) Non-owned tools and equipment;

- (a) leased or rented from any of your employees;
 - (b) Any other non-owned tools you lease from others for a term of six months or more; or
 - (c) Lost or damaged by theft; or
- (5) Employees' tools lost or damaged by theft.
- j. Computer Coverage does not include:
 - (1) Property held for lease, rental or sale or that you lease, rent or sell to others;
 - (2) Electronic data processing equipment which is permanently installed or designed to be permanently installed in any aircraft, watercraft, motor truck or other vehicle subject to motor vehicle registration; or
 - (3) Accounts, bills, evidences of debt and "valuable papers and records". However, such property is Covered Property in its "converted data" form.
- 3. Covered Causes of Loss

Risks Of Direct Physical Loss to Covered Property unless the loss is:

 - a. Excluded in Section **B.**, Exclusions; or
 - b. Limited in Paragraph **A.4.**, Limitations; that follow.
- 4. Limitations
 - a. We will not pay for loss of or damage to:
 - (1) Property that is missing, but there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory.
 - (2) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - b. We will not pay for loss of or damage to materials, supplies, equipment, machinery and fixtures:
 - (1) Owned by you; or
 - (2) In your care, custody or control; intended for installation;
 - (1) By you; or
 - (2) At your direction;

caused by or resulting from theft. In addition, we will not pay for any loss that is a

consequence of loss or damage to such property.

However, this limitation does not apply to:

- (1) Covered Property under Paragraph **A.1.b.**, Contractors' Installation Coverage;

5. Additional Coverages

a. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (a) The date of direct physical loss or damage; or
- (b) The end of the policy period.

- (2) The most we will pay under this Additional Coverage is 25% of:

- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
- (b) The deductible in this policy applicable that loss or damage.

- (3) This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

b. Fire Department Service Charge

When the fire department is called to save or protect Covered Property under Section **A.1.b.**, Contractors' Installation Coverage, from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

c. Collapse

- (1) We will pay for direct physical loss or damage to Covered Property under Sections **A.1.(a)(1)**, "Valuable Papers and Records" and **A.1.(a)(2)**, Accounts Receivable, caused by collapse of a building or any part of a building at the

described premises or in the open (or in a vehicle) within 100 feet of the described premises, if the collapse is caused by one or more of the following:

- (a) The "specified causes of loss" or breakage of building glass, all only as insured against in this policy;
- (b) Hidden decay;
- (c) Hidden insect or vermin damage;
- (d) Weight of people or personal property
- (e) Weight of rain that collects on a roof;
- (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

- (2) Collapse does not include settling, cracking, shrinkage, bulging or expansion.

c. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss under Section **A.1.b.**, Contractors' Installation Coverage, that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

The most we will pay for each location under this Additional Coverage is \$2,500 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

B. EXCLUSIONS

- 1. All exclusion in this Section **B** shall be considered excluded events. We will not pay for loss or damage caused by any excluded event. Loss or damage will be considered to have been caused by an excluded event if the occurrence of that event: directly and solely results in loss or damage; or initiates a sequence of events that results in loss or damage, regardless of the

nature of any intermediate or final event in that sequence.

a. Ordinance Or Law

The enforcement of any ordinance of law under Section **A.1.b.**, Contractors' Installation Coverage:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This Ordinance Or Law exclusion applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Any earth movement (other than "sinkhole collapse"), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or "explosion", we will pay for the loss or damage caused by that fire or "explosion".
- (2) Volcanic eruption, "explosion" or effusion. But if volcanic "explosion" or effusion results in fire, building glass breakage or "volcanic action", we will pay for the loss or damage caused by that fire, building glass breakage or "volcanic action".

c. Government Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we

will pay for the loss or damage caused by that fire.

e. War and Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

f. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if Water, as described in **B.1.g.(1)** through **B.1.g.(4)**, results in fire, "explosion" or sprinkler leakage, we will pay for the loss or damage caused by that fire, "explosion" or sprinkler leakage.

2. We will not pay for loss or damage caused by any of the following:

- a. Electrical Apparatus: Artificially generated electric current, including electrical arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by fire.

- b. Consequential Losses. Delay loss of use or loss of market.
- c. "Smoke", Vapor, Gas: "Smoke", vapor or gas from agricultural smudging or industrial operations.

This exclusion does not apply to covered property in paragraph **A.1.d.** Computer Coverage.

d. Dishonesty: Dishonest or criminal acts (including theft) committed by:

- (1) You, any of your partners, employees (including temporary employees and leased workers), officers, directors, trustees, or authorized representatives;
- (2) A manager or a member if you are a limited liability company; or
- (3) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives; or
- (4) Any person to whom you entrust the property for any purpose;

Whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) is not covered.

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

e. False Pretense: Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

f. Exposed Property: Rain, snow, ice or sleet to personal property in the open except Contractors' Tools and Equipment.

g. Collapse: Collapse, except as provided in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss

h. Pollution: Except as otherwise provided in Additional Coverages **A.5.c.** Pollutant Clean Up and Removal, we will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration,

release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

i. Other Types of Loss:

- (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force; or
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.
 - (d) But if an excluded cause of loss that is listed in **B.2.j.(1)** through **B.2.j.(7)** results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

(8) The following causes of loss to property covered under Section **A.1.b**, Contractors' Installation Coverage:

- (a) Fungi, Wet Rot And Dry Rot
 - (i) Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot. But if "fungi", or wet or dry rot results in any of the "specified causes of loss", we will pay for the loss or damage caused by that Covered Cause of Loss.
 - (ii) This exclusion does not apply:

(A) When "fungi", or wet or dry rot results from fire or lightning; or

(B) To the extent that coverage is provided in the endorsement, if any, Additional Coverage – Limited Coverage For "Fungi", Wet Rot And Dry Rot with respect to loss or damage by a cause of loss other than fire or lightning.

(b) Virus, Bacterium Or Other Microorganism

(i) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. However, this exclusion does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in the previous exclusion.

(ii) The terms of this exclusion, or the inapplicability of this exclusion to a particular loss, does not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.

(iii) This exclusion applies to all coverage under all forms and endorsements that comprise this Coverage Part.

3. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Weather Conditions: Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.
- b. Acts or Decisions. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Negligent Work: Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;

- (2) Design, specifications, workmanship, repair, construction, renovation remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
of part or all of any property on or off the described premises.
4. Accounts Receivable and "Valuable Papers and Records" Exclusions
- In addition to the exclusions shown in paragraphs **B.1.** through **B.3.**, the following exclusions apply to the Accounts Receivable and "Valuable Papers and Records" Coverage Extension:
- a. We will not pay for loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or result; from:
 - (1) Programming errors or faulty machine instructions;
 - (2) Faulty installation or maintenance of data processing equipment or component parts;
 - (3) Virus, harmful code or similar instruction introduced into or enacted on Electronic Data Processing Equipment or Electronic Media and Records.

But we will pay for direct loss or damage caused by lightning.
 - b. Applicable to "Valuable Papers and Records" only:
We will not pay for loss or damage caused by or resulting from errors or omissions in processing or copying. But we will pay for direct loss or damage caused by resulting fire or "explosion".
 - c. Applicable to Accounts Receivable only:
We will not pay for:
 - (1) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.
This exclusion applies only to the extent of the wrongful giving, taking or withholding.
- (2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
 - (3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.
5. Contractors' Installation Exclusions
- We will not pay for loss or damage caused by or resulting from any of the following:
- a. The cost to make good or replace faulty or defective materials or workmanship;
 - b. Testing. However, if testing results in fire or "explosion", we will pay for the loss or damage caused by that fire or "explosion";
 - c. A Fault, defect, deficiency, error or omission in a plan, blueprint, design or specification.
6. Contractors' Tools and Equipment Exclusions
- We will not pay for loss or damage caused by or resulting from any of the following.
- a. Your neglect to use all reasonable means to save and preserve Covered Property from impending loss or damage during and after the occurrence of a loss.
 - b. Theft of property from any unattended vehicle unless, at the time of the theft, the vehicle's windows, doors and compartments were closed and locked, and there are visible signs that the theft was a result of forced entry.
 - c. This exclusion does not apply to:
 - (1) Covered Property in the custody of a carrier for hire.
 - (2) Covered Property while at any job site you do not own, lease or operate.
7. Contractors' Installation and Contractors' Tools and Equipment Exclusions
- We will not pay for loss or damage caused by or resulting from any of the following.
- a. The weight of a load, when it exceeds the designed capacity of any Covered Property to lift, move or support the load from any position;
 - b. Collision, upset or overturn of any Covered Property to the extent of any loss of or damage to the tires and tubes of such property. But we will pay for the loss of or damage to the tires or inner tubes if the same

accident causes other covered loss to the same Covered Property.

8. Computer Exclusions

- a. The following exclusions do not apply to coverage provided for **A.1.d. Computer Coverage**:

B.1.e. Power Failure, B.2.a. Electrical Apparatus, B.2.c. "Smoke", Vapor, Gas, B.2.d. Steam Apparatus, B.2.h. Collapse, B.2.j.(3), (4) and (5) Other types of Loss exclusions and B.3.b. Acts or Decisions.

- b. Exclusion **B.2.J.(7)** is replaced by the following

- (1) Dampness or dryness of atmosphere, or changes in or extremes of temperature, unless such conditions result from physical damage caused by a covered cause of loss to an air conditioning unit or system, including equipment and parts, which is part of, or used with the electronic data processing equipment.

- (2) Marring or scratching.

But if an excluded cause of loss that is listed in **B.2.j.(1), (2), (6) or (7)** results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

- c. The following additional exclusions apply to Covered Property **A.1.d. Computer Coverage**:

- (1) Human errors or omissions in processing, recording or storing information on electronic media and records and electronic data processing equipment.

But we will pay for direct loss or damage caused by resulting fire or "explosion" if these causes of loss would be covered under Computer Coverage **A.1.d.**;

- (2) Electrical or magnetic injury, disturbance or erasure of electronic recordings, except as provided for under Computer Coverage **A.1.d.**

But we will pay for direct loss or damage caused by lightning;

- (3) Failure, breakdown or malfunction of electronic media and records and electronic data processing equipment, including parts, while the media is being run through the equipment.

But, we will pay for direct loss or damage caused by resulting fire or "explosion" if these causes of loss are covered under Computer Coverage **A.1.d.**; and

- (4) Installation, testing, repair or other similar service performed upon the electronic data processing media and records or electronic data processing equipment, including parts.
- (5) Virus, harmful code or similar instruction introduced into or enacted on Electronic Data Processing Equipment (or Electronic Media and Records) or a network to which it is connected, designed to damage or destroy any part of the network or disrupt its normal operation.
- (6) Theft of property from any unattended vehicle unless, at the time of the theft, the vehicle's windows, doors and compartments were closed and locked, and there are visible signs that the theft was a result of forced entry.

C. LIMITS OF INSURANCE

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations
2. The limits applicable to Debris Removal, Fire Department Service Charge, and Pollutant Clean Up and Removal, are in addition to the Limits of Insurance
3. Limits of Insurance applicable to Contractor's Installation are:
 - a. The most we will pay for loss or damage in any one occurrence to Covered Property at each covered job site is the limit of insurance for property at each covered job site shown in the Declarations.
 - b. The most we will pay for loss or damage in any one occurrence to Covered Property at all covered job sites combined is three times the limit of insurance shown in the Declarations for property at each covered job site.

D. DEDUCTIBLES

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss

or damage in excess of the Deductible up to the applicable Limit of Insurance.

2. No deductible applies to the Fire Department Service Charge Additional Coverage.

E. PROPERTY LOSS CONDITIONS

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will Select a Competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

5. Loss Payment

In the event of loss or damage covered by this policy:

- a. At our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality.

- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. We will determine the value of Covered Property as follows:

(1) The following property at actual cash value:

- (a) Contractors' Tools and equipment;
- (b) Property of others, but this property is not covered for more than the amount for which you are liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others;

(2) "Valuable Papers and Records", including those which exist on electronic or magnetic media (other than prepackaged software programs) at the cost of:

- (a) Blank materials for reproducing the records; and
- (b) Labor to transcribe or copy the records.

This condition does not apply to "valuable papers and records" and electronic media records that are actually replaced or restored.

(3) Applicable only to Accounts Receivable.

(a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:

- i. We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
- ii. We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

(b) The following will be deducted from the total amount of accounts

receivable, however that amount is established:

- i. The amount of the accounts for which there is no loss or damage;
- ii. The amount of the accounts that you are able to reestablish or collect;
- iii. An amount to allow for probable bad debts that you are normally unable to collect; and
- iv. All unearned interest and service charges.

(4) Applicable only to Computer coverage:

(a) The value of Electronic Data Processing Equipment will be:

- i. The cost of replacing the equipment with new property functionally equivalent to the damaged equipment if replaced; or
- ii. Actual cash value if the property is not repaired or replaced.

In the event of partial damage to an item of equipment, we will not pay more than the cost of reasonably restoring the property to its condition immediately prior to the loss.

(b) The value of data will be the actual cost to reproduce. If the data is not replaced or reproduced, we will pay the cost of the value of the media with no stored data.

(c) The value of media will be the cost to repair or replace the media with substantially equivalent property.

- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and

- (1) We have reached agreement with you on the amount of loss; or
- (2) An appraisal award has been made.

6. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses to repair the recovered property, subject to the Limit of Insurance.

F. PROPERTY GENERAL CONDITIONS

1. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This policy;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this policy.

2. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

3. Liberalization

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

4. Other Insurance

- a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

- b. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

5. Premiums

- a. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

- b. With our consent, you may continue this policy in force by applying a continuation premium for each successive one-year period. The premium must:

- (1) Paid to us prior to the anniversary date; and
- (2) Determined in accordance with Paragraph **b.** above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

- c. Undeclared exposures or change in your business operation, acquisition or use of locations that are not shown in the Declarations may occur during the policy period. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

6. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing.

- a. Prior to loss to your Covered Property.
- b. After a loss to your Covered property only if at time of loss, that party is one of the following:

- (1) Someone insured by this insurance.
- (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
- (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

7. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this policy at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

8. No Benefit to Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

9. Policy Period, Coverage Territory

Under this form:

- a. We cover loss or damage commencing:
 - (1) During the policy period shown in the Declarations; and
 - (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.
- b. The coverage territory is:
 - (1) The United States of America (including its territories and possessions);
 - (2) Puerto Rico; and
 - (3) Canada.

G. PROPERTY DEFINITIONS

- 1. **"Converted data"** means information that is stored on electronic media, that is capable of being communicated, processed or interpreted by electronic data processing equipment.
- 2. **"Fungi"** means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 3. **"Money"** means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
- 4. **"Operations"** means your business activities occurring at the described premises.
- 5. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including "smoke", vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 6. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
 but does not include "money".
- 7. **"Specified Causes of Loss"** means the following:

Fire; lightning; "explosion"; "windstorm or hail"; "smoke"; "aircraft or vehicles"; "riot or civil commotion"; "vandalism"; leakage from fire extinguishing equipment; "sinkhole collapse"; "volcanic action"; "falling objects"; weight of snow, ice or sleet; "water damage".

 - a. **"Aircraft or vehicles"** means only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the Covered Property. This cause of loss includes loss or damage by objects falling from aircraft.

Aircraft or vehicle does not mean any aircraft or vehicle owned by you, or operated by you in the course of your business.
 - b. **"Explosion"** includes the explosion of gasses or fuel within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:
 - (1) Rupture, bursting or operation of pressure relief devices; or
 - (2) Rupture or bursting due to expansion or swelling of contents of any building or structure, caused by or resulting from water.

- c. **“Falling objects”** does not include loss of or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- d. **“Riot or civil commotion”** includes:
 - (1) Acts of striking employees while occupying the described premises; and
 - (2) Looting occurring at the time and place of a riot or civil commotion.
- e. **“Sinkhole collapse”** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
- f. **“Smoke”** means smoke causing sudden and accidental loss or damage. It does not include smoke from agricultural smudging or industrial operations.
- g. **“Vandalism”** means willful and malicious damage to, or destruction of, Covered Property.
 - (1) It includes damage to Covered Property caused by or resulting from breakage of glass by vandals.
 - (2) It does not include loss or damage caused by or resulting from theft.
- h. **“Volcanic action”** means direct loss or damage resulting from the eruption of a volcano when this loss or damage is caused by:
 - (1) Volcanic blast or airborne shock waves; or
 - (2) Ash, dust, or particulate matter.

This coverage form does not provide coverage for damage to: Property in the open or in open sheds; or personal property contained within buildings not completely enclosed.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

- i. **“Water damage”** means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.
 - j. **“Windstorm or Hail”** does not include:
 - (1) Frost or cold weather;
 - (2) Ice (other than hail), snow or sleet, whether driven by wind or not; or
 - (3) Loss or damage to the property inside a building or structure caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.
8. **“Temporary storage location”** means a location where property that is to become a permanent part of a completed project is stored while waiting to be delivered to a site:
- a. That you do not own, lease or operate; and
 - b. Where work is in progress, or will begin in 30 days.
9. **“Valuable Papers and Records”**
- a. “Valuable papers and records” means inscribed, printed, or written:
 - (1) Documents;
 - (2) Manuscripts; and
 - (3) Records;

including abstracts, books, deeds, drawings, films, maps, or mortgages.
 - b. “Valuable papers and records” does not mean
 - (1) “Money” or “Securities”;
 - (2) Converted data; or
 - (3) Programs or instructions used in “your” data processing operations, including the materials into which the data is recorded.

EXHIBIT C

IN THE SUPERIOR COURT FOR THE STATE OF WASHINGTON
IN AND FOR THE COUNTY OF KING

KUNAL WALIA and SHARON WALIA,
husband and wife,

Plaintiffs,

v.

ELEMENTAL DESIGN LLC d/b/a
STEPHENSON DESIGN COLLECTIVE,
a Washington limited liability company;
NICKERSON ENGINEERING, LLC, a
Washington limited liability company;
MODERN SHELTER LLC d/b/a
MODERN SHELTER CONSTRUCTION,
a Washington limited liability company;

Defendants.

No.

COMPLAINT

COME NOW the Plaintiffs, Kunal Walia and Sharon Walia, by and through their attorneys of record, Garth A. Schlemlein, Benjamin W. Lance and Schlemlein Fick & Franklin, PLLC, for claims against the above-named Defendants, and allege as follows:

PARTIES, JURISDICTION AND VENUE

1. Plaintiffs Kunal Walia and Sharon Walia (collectively the “Walias” or “Plaintiffs”) are married individuals residing in King County, Washington.

1. Defendant Elemental Design LLC d/b/a Stephenson Design Collective (“Elemental Design”) is a Washington limited liability company operating in King County, Washington as a provider of professional architectural and design services.

2. Defendant Nickerson Engineering, LLC (“Nickerson”) is a Washington limited liability company operating in King County, Washington as a provider of professional engineering and design services. At all times material, Nickerson has been a licensed and registered professional engineer in the State of Washington.

3. Defendant Modern Shelter LLC d/b/a Modern Shelter Construction (“Modern Shelter”) is a Washington limited liability company operating in King County, Washington as a general contractor under UBI Number 602957653. Modern Shelter’s license number is MODERSL902MH and Joel Lavin is its owner.

4. Jurisdiction in this case is vested in the Superior Court of Washington pursuant to RCW 2.08.010.

5. Venue is proper in King County, Washington under RCW 4.12.020(3) and RCW 4.12.025 because the cause of action arose from injuries to Plaintiffs in King County and the Defendants have offices and / or conduct business in King County, Washington.

STATEMENT OF FACTS

6. The Walias are the owners of certain real property located at 6316 77th Avenue S.E., Mercer Island, Washington 98040 (the “Property”).

7. Elemental Design is a Seattle-based design professional specializing in modern architecture and design.

8. Nickerson is an Everett-based design professional specializing in structural engineering.

9. Modern Shelter is a Seattle-based independent contractor specializing in general contracting for residential and light commercial construction.

10. The Walias and Elemental Design entered into a contract dated December 4, 2013 (the “Design Agreement”) whereby Elemental Design was to provide architectural design and other professional services related to the construction of a single-family home (the “Project”) on the Property in consideration of payment from the Walias in the sum of \$55,000.

1 11. The Walias and Nickerson entered into a contract dated April 5, 2013 (the
2 “Structural Agreement”) whereby Nickerson would prepare structural drawings, plans and
3 calculations for the Project.

4 12. The Walias and Modern Shelter entered into a contract dated January 6, 2014 (the
5 “Construction Agreement”) for construction of the Project. The Construction Agreement had an
6 initial value of \$1,429,986.00, exclusive of additional services and change orders.

7 13. Pursuant to the Design Agreement, Elemental Design prepared architectural
8 drawings which were incorporated into the Contract Documents of the Construction Agreement
9 (“Contract Documents”).

10 14. Under the terms of the Design Agreement, Elemental Design agreed to “provide the
11 professional services set forth in [the Design Agreement] consistent with the professional skill and
12 care ordinarily provided by architects practicing in the same or similar locality under the same or
13 similar circumstances”.

14 15. Pursuant to the Structural Agreement, Nickerson prepared structural drawings
15 which used to construct the structural elements of the Project.

16 16. Under the Construction Agreement, performance by Modern Shelter was required
17 to the extent consistent with the Contract Documents and reasonably inferable from them as being
18 necessary to produce the indicated results.

19 17. Under the Construction Agreement, Modern Shelter’s work was the construction
20 and services required by the Contract Documents, whether completed or partially completed, and
21 included all other labor, materials, equipment and services provided by Modern Shelter to fulfill
22 its obligations (the “Work”).

23 18. Under the Construction Agreement, Modern Shelter warranted to the Walias that
24 materials and equipment furnished under the Agreement would be of good quality and new, that
25 the Work would be free from defects, and that the Work would conform with the requirements of
26 the Contract Documents. Work not conforming to these requirements, including substitutions not
27 properly approved and authorized, may be considered defective.
28

SECOND CAUSE OF ACTION

Breach of Contract Against Defendant Elemental Design

27. Plaintiffs reallege and incorporate Paragraphs 1 through 26 of this Complaint as though fully set forth herein.

28. Elemental Design breached the Design Agreement by failing to provide its professional services consistent with the professional skill and care ordinarily provided by architects practicing in the same or similar locality under the same or similar circumstances, as expressly required by the Design Agreement.

29. As a result of the breach, Elemental Design has caused the Walias to suffer damages in an amount to be determined at trial.

THIRD CAUSE OF ACTION

Professional Negligence Against Defendant Elemental Design

30. Plaintiffs reallege and incorporate Paragraphs 1 through 29 of this Complaint as though fully set forth herein.

31. In providing its architectural and design services, Elemental Design failed to use the care, skill, ability and diligence ordinarily required of architects in the course of preparing such architectural and design services.

32. Elemental Design's failure to use the care, skill, ability and diligence ordinarily required of an architect amounted to professional negligence and Elemental Design's negligence was a legal cause of some or all of the damages sustained by the Walias as described herein.

FOURTH CAUSE OF ACTION

Professional Negligence Against Defendant Nickerson

33. Plaintiffs reallege and incorporate Paragraphs 1 through 32 of this Complaint as though fully set forth herein.

34. In providing its structural engineering and design services, Nickerson failed to use the care, skill, ability and diligence ordinarily required of structural engineers in the course of preparing such design calculations, drawings and other services.

35. Nickerson's failure to use the care, skill, ability and diligence ordinarily required of a structural engineer amounted to professional negligence and Nickerson's negligence was a legal cause of some or all of the damages sustained by the Walias as described herein.

FIFTH CAUSE OF ACTION

Breach of Express Warranty Against Defendant Modern Shelter

36. Plaintiffs reallege and incorporate Paragraphs 1 through 35 of this Complaint as though fully set forth herein.

37. Modern Shelter warranted that the construction of the home would be free from defects and conform to the Construction Agreement.

38. Modern Shelter further warranted that all Work would be performed with a degree of skill and care at least equal to that required to meet the standard of care applicable to like contractors performing similar work in western Washington.

39. The Walias notified Modern Shelter of the defects and deficiencies.

40. Modern Shelter breached its warranties by constructing the home defectively and deficiently, by failing to perform the Work with requisite skill and care, and by failing to correct the defects and deficiencies.

41. The Walias performed all conditions precedent necessary for the effectiveness of Modern Shelter's warranties, including making full payment to Modern Shelter.

42. As a result of its breach, Modern Shelter has caused the Walias to suffer damages in an amount to be determined at trial.

SIXTH CAUSE OF ACTION

Violations of the Washington Consumer Protection Act Against Defendant Modern Shelter

43. Plaintiffs reallege and incorporate Paragraphs 1 through 42 of this Complaint as though fully set forth herein.

44. Pursuant to the Washington Consumer Protection Act ("CPA"), RCW 19.86.010 *et seq.*, "[u]nfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful." RCW 19.86.020.

45. The Consumer Protection Act defines “trade” and “commerce” as including “the sale of assets or services, and any commerce directly or indirectly affecting the people of the state of Washington.” RCW 19.86.010(2).

46. Modern Shelter’s conduct as described above constitutes unfair or deceptive acts or practices in the course of its business which impacts the public interest in violation of RCW 19.86 *et seq.*

47. As a proximate result of these unfair or deceptive acts or practices, the Walias have been damaged in an amount to be determined at trial which includes, but is not limited to, the cost of repairing the damage to the home caused by the defective Work, as well as the cost of correcting defective conditions and damage, including investigative costs and scope of repairs development costs as necessary components thereof.

48. Pursuant to Chapter 19.86 RCW, the Walias are entitled to their reasonable attorneys’ fees in prosecuting this action, and civil penalties by way of treble damages up to the statutory maximum per violation.

PLAINTIFFS’ PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for relief as follows:

- A. For Judgment in favor of Plaintiffs against Modern Shelter, Elemental Design, and Nickerson, jointly and severally, in a principal sum in an amount to be proven at trial, plus interest thereon, both pre-judgment and post-judgment, at the highest rate permitted by law;
- B. For Plaintiffs’ expenses incurred in prosecuting this action, including costs of suit, and reasonable attorney fees as may be allowed by law; and
- C. For damages and civil penalties (including treble damages) for violations of the Consumer Protection Act; and
- D. For such other and further relief as the Court may deem just and equitable.

1 DATED this 14th day of May, 2021.

2 SCHLEMLEIN FICK & FRANKLIN, PLLC

3 /s/ Benjamin W. Lance

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